



How We Worked From Home

Findings from the WFH experience in response to the COVID-19 global health crisis in Malaysia

August 2020



Foreword

I am delighted to share with you the findings of our survey, *How We Worked From Home*.

Why did we embark on this enquiry?

The topic of telecommuting has been on UNDP's mind for a while. The organization has engaged the Government of Malaysia in the past on this topic, based on the hypothesis that it will likely yield more benefits than bear downsides. The COVID-19 pandemic, ironically, made us revisit this topic with some rigour and urgency.

The findings from the study represent a mixed bag. There is much to celebrate—improved quality of life, enhanced productivity owing to factors such as reduced commute time, and, at scale, the evident reduction of the pollution load on the planet. Further, it sheds light on the possibility that given the right policy and incentive regimes, telecommuting will enable many more to engage in the productive economy—including those who currently do not participate in the workforce owing to caregiving or other such responsibilities.

But there are areas of concern. As 'leaving for work' morphed into 'living at work,' working hours stretched, and lines between worktime and downtime blurred. A matter of great concern was that inequality manifests itself in yet newer forms—the poor fared far worse than middle- and upper-income earners, taking hits not only on incomes, but also in lacking the wherewithal to participate in the online economy.

Some bigger questions emerge from these findings. Are brick-and-mortar workplaces going to be less relevant in the future? If so, what kinds of jobs will disappear, and what other kinds of jobs will emerge? Are employer-employee relationships entering a new phase—one that will require altogether different compacts of trust and mutual accountability? Do we need to question conventional assumptions behind the need for travelling to work, or travelling for work? And will the nature of what outputs we produce change when co-creation and collaboration no longer involve face-to-face interactions?

The answer to these and many other questions will emerge in time. But in the meanwhile, I hope our readers will find this a useful start to the conversation, and a trigger for further enquiry, analysis, and shaping of policy.

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This survey and report were developed by the UNDP Accelerator Lab Malaysia.



The Accelerator Labs are the world's largest and fastest learning network on sustainable development challenges. With expertise in prototyping, citizen generated data, and other innovation tools, it is part of UNDP's drive to be an incubator for the future. The Accelerator Labs are designed to close the gap between the current practices of international development in an accelerated pace of change. It models a new capability to make breakthroughs on the future of development: inequality, decarbonization, the 4th industrial revolution, and new forms of governance.

Co-building the Accelerator Labs as a joint venture with:



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Abbreviations

BCP Business Continuity Plan

DOSM Department of Statistics Malaysia

ILO International Labour Organisation

KRI Khazanah Research Institute

MCO Movement Control Order

PWD Persons with Disabilities

QOL Quality of Life

UNDP United Nations Development Programme

WFH Work/Working/Worked From Home

Executive Summary

The Movement Control Order (MCO) imposed in Malaysia due to COVID-19 created an unprecedented situation in which a third of Malaysians in the private sector were required to work from home (WFH).¹ This situation presented a unique opportunity to assess perceptions towards WFH, as well as the trade-offs of between WFH conditions to life and environmental outcomes.

UNDP conducted two surveys across employers and employees, to discover the impact of WFH on employees and whether WFH has a net positive outcome for improving quality of life and inclusivity of work. The surveys were complemented with a scan of media and social media on the perceptions and experiences of WFH in Malaysia to identify the key themes and illustrate survey findings.

There were 1021 responses to the employee survey, representing employees in local enterprises, multinationals, and government service, as well as self-employed/gig workers. Just over half of responses to the employee survey came from the middle-income band (RM3,000-7,000/month) and about a quarter from the lower-income band (under RM3,000/month). There were 231 responses to the employer survey, mostly from the private sector. Over two-thirds of employer respondents were domestic entities. Small and medium enterprises (200 or fewer employees) made up 79% of all employer responses.

The surveys found that WFH was largely beneficial for work-life integration and productivity when time savings could increase productivity in terms of work and domestic responsibilities. More respondents reported quality of life increasing rather than decreasing, even for those who found domestic responsibilities slightly more difficult, or who put in extra time while working from home.

Yet, the sudden switch to WFH during the MCO period had some negative effects. It disrupted operations for those unprepared for WFH—particularly smaller domestic businesses. WFH also contributed toward social isolation, blurred work-life boundaries, and shifted costs onto employees. The additional burden of unpaid domestic work may be shifted unevenly onto women more than men in WFH conditions.

There were positive and negative outcomes from the MCO, with an overall perception that WFH provided a net positive outcome.

Those who lost:

- During WFH, 38% of those with incomes of less than RM3,000 and 55% of the self-employed and gig workers experienced income loss.
- Despite savings in transportation and childcare during the MCO, overall expenditures of WFH employees—especially for vulnerable groups—increased due to work-related expense. Among those experiencing income loss, 48% also had to spend more on work equipment during WFH.
- Low- and middle-income respondents with children had less ability to reduce their overall expenses during the MCO.
- Men and women who WFH experienced different patterns of income loss, likely due to employment in different sectors.
- A small percent of WFH employees (8%) felt very isolated. They experienced severe drops in quality of life (QOL) and productivity.
- Local enterprises were less likely than MNCs to have WFH experience (44% vs. 62%) or business continuity plans (54% vs. 75%)—resulting in lower capacity to adapt to workplace closures.

Those who gained:

- Just over half of respondents found domestic responsibilities were easier during WFH—much more than the 29% who had found it more difficult.
- 94% of employees saved commuting expenses, and 40% saved more than 1-hour commuting time. This was a major driver in QOL gains.
- Most caregivers found WFH neutral or beneficial in terms of QOL and productivity during WFH despite the competing domestic responsibilities.
- Most employees found that QOL increased as a result of WFH. Increased QOL corresponded with increased productivity.
- Overall, employers reported that levels of employee productivity during WFH were similar to productivity during normal working conditions.
- Employers who provided technical and material support to employees were more likely to see employee productivity increase while WFH.
- Employers with WFH experience and business continuity plans were better able to maintain business operations.

1. DOSM (2020a)

The overall outlook for WFH is positive from both employers and employees, with both sharing an overall positive perception shift towards WFH and are more likely to adopt WFH practices in future.

If domestic responsibilities and work-life balance are managed in the transition to WFH, QOL and productivity increases go hand-in-hand, benefitting both employee and employer.

However, WFH does not automatically work for all. Many employees experienced uncontrolled work hours and the abuse of employees' virtual availability. And, while most employer respondents are considering adopting WFH practices, many are largely undecided on using WFH policies for caregivers and persons with disabilities (PWDs). **The following factors listed below should be considered in developing an inclusive WFH environment that benefits employees and employers alike:**

- WFH can be an important part of a broader strategy to improve outcomes and inclusivity for caregivers. It should also be accompanied by policies that increase the affordability and accessibility of childcare for lower- and middle-income groups.
- WFH can also be an important tool for increasing access for PWDs to the workforce and employers should be encouraged to make use of it.
- Employers should provide sufficient material support to employees in transitioning to WFH. Care must be taken to ensure WFH does not shift the costs of work to employees, especially those in lower salary bands.
- Successful WFH requires technical support, especially clear policies on communication, flexibility in working hours, performance evaluation by outputs, and limits on time demanded by employer.
- National policies for connectivity will need to consider not just the scope of coverage but also the quality of coverage and support in residential areas—ensuring that no one is left behind—if WFH is to be encouraged in the new normal.

UNDP highlights these findings to both the Malaysian Government and private sector employers.

In Malaysia, WFH and flexible work arrangements have long been discussed as a means of retaining women in the workforce and enabling them to maintain career progression—with benefits for employers and for the society at large.^{2,3} The survey findings from the MCO WFH experience suggest that the WFH option can benefit many women in the workforce. Indeed, when implemented well, WFH can improve the work experience for both employees and employers.

Beyond the working experience WFH, if undertaken on a large scale, has the potential to change the way we build and design cities—with potential benefits for traffic congestion, housing prices, carbon emissions, and more. Thus, the Malaysian government should consider WFH as more than just a human resource issue, but as a tool for broader sustainable development. If this is to take place, good WFH practices are necessary to generate acceptance and ensure no one is left behind.

The mass experience of WFH is one of the opportunities to emerge from the COVID-19 crisis, tangibly demonstrating the feasibility of WFH. As Malaysia 'Builds Back Better,' UNDP and the broader UN family stands ready to support making WFH work well and work for all.

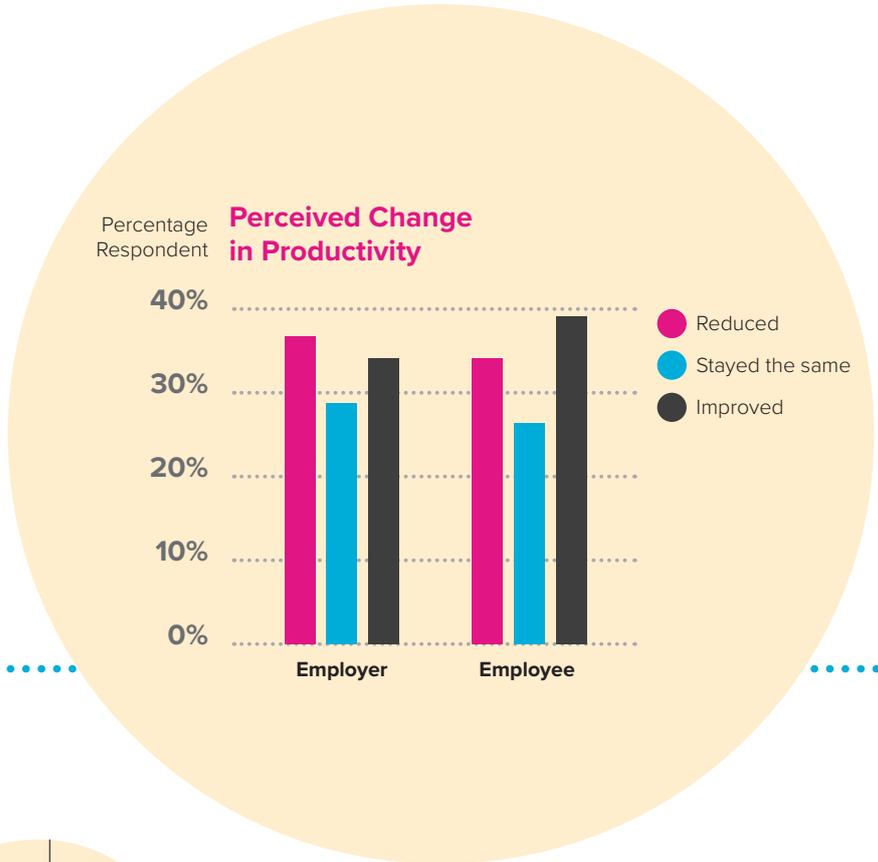
How We Worked From Home

Findings from the WFH experience in response to the COVID-19 global health crisis in Malaysia

WFH Works!

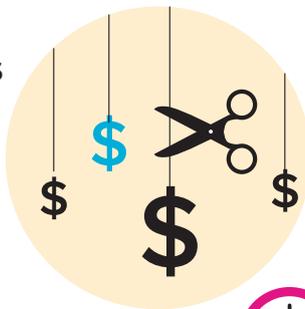
54% of respondents said their quality of life improved as a result of WFH. 31% reported a decrease, while 15% reported no change.

63% of employers and 76% of employees said productivity stayed the same or improved during WFH.



Income, Time, and Expense

37% of WFH employees earning <RM3,000 experienced pay cuts.



42% saved more than one hour commuting daily.

32% spent at least one additional hour working daily.

44% reported increase in weekly expenses, 19% stayed the same, 37% reported reductions. Utilities and work equipment raised expenses.



Women and WFH

Women between 35-44 were twice as likely as men to say WFH made it more difficult to manage domestic responsibilities (40% vs. 20%), reflecting the higher domestic burden on women.

Nonetheless, women who were caregivers improved QOL while remaining productive.

54% of women were fully able to communicate with colleagues during WFH. In comparison, 44% of men reported the same.

Women Caregivers and WFH

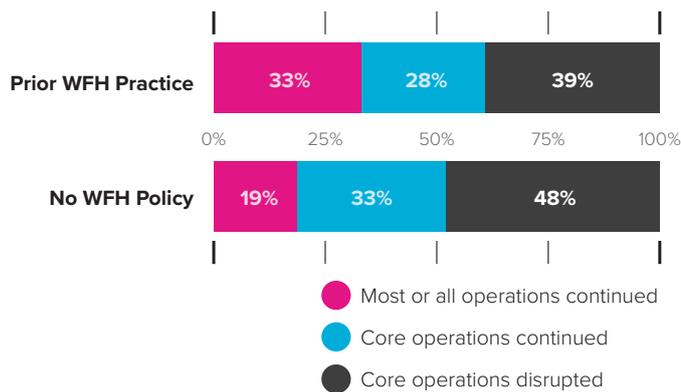




WFH Experience and Business Continuity

44% of employer respondents from local enterprises had experience with WFH arrangement prior to the MCO.

Local enterprises with prior WFH practices had better business continuity during the MCO. Similar results were observed for multinational corporations.

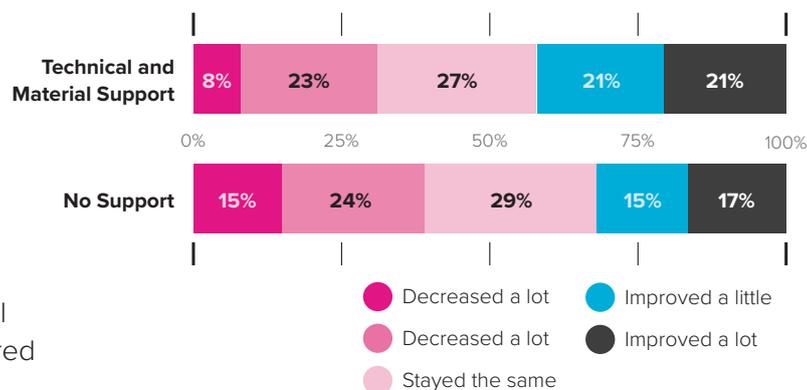


Support and Productivity

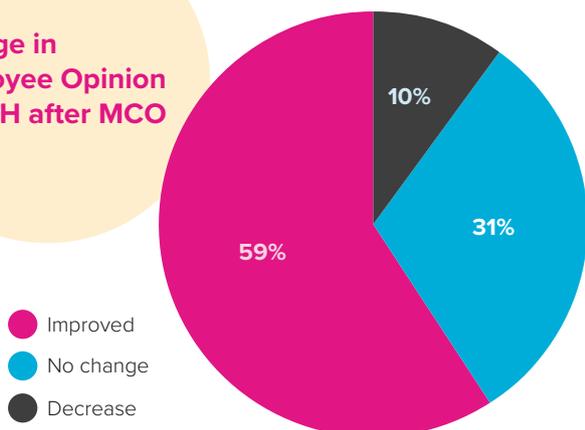
Support needed by WFH employees:

- Materials** 61%
- Technical Training** 50%
- Financial** 28%
- Caregiving** 23%

Employees who received technical and material support reported improved productivity compared to those who did not.



Change in Employee Opinion of WFH after MCO



Future of WFH

Most employees had a positive experience of WFH, with 44% preferring to WFH three or more days a week.

Employer plans

83% have or are considering WFH options post-MCO.
54% have or are considering WFH for PWDs.
43% have or are considering WFH for caregivers.

1. Background

On a global level, 68% of the world's workforce were in countries on mandatory or encouraged workplace closures in April 2020 due to COVID-19.⁴ About a third of private sector employees in Malaysia had to WFH during the MCO.⁵ As the pandemic conditions continue, workplaces are widely encouraged to continue operations on a rotational or at least a partial WFH basis until the disease is under control. Patterns of work are expected to shift from this large-scale disruption. What are the implications for societies, and how should governments respond? Should WFH be further encouraged, or are there hidden drawbacks that we have not contemplated? What drives a positive WFH outcome in relation to employee well-being?

On the positive side, WFH provided opportunities for increased quality of life through better flexibility for persons with household responsibilities. WFH could unlock opportunities for inclusive practices, for persons with disabilities and for caregivers who can nonetheless participate in the workforce from home. Widespread WFH practices could also alleviate housing challenges in urban centres by reducing the demand for housing near employment centres.

From the perspective of environmental sustainability, WFH also has the potential to drastically reduce commuting and the consequent travel times, resulting in lower carbon emissions. At the same time, energy utilisation in residential areas may increase due to WFH requiring higher data speeds and utilities consumption—which may or may not be offset by decreased energy use in commercial areas.

At the same time, increased WFH could reinforce divisions, particularly for entry level and low paid workers, and workers in the informal or gig economy. In particular the informal economy offers little or no labour protections, while work roles in this area often have lower ability to work remotely. One study estimates that less than 30% of Malaysia's workforce is able to transition to WFH, while recent survey findings indicated that only one in four self-employed persons were able to WFH during the MCO.⁶

In the long-term, WFH may also accelerate the rise of the gig-economy, which increases the risk to lower-income groups. The International Labour Organisation (ILO) has identified informal economy workers as the most vulnerable to the closures due to the pandemic, with workers in this sector seeing an estimated 60% decline in income globally.⁷ Long-term WFH arrangements may benefit professional and higher income activities, but exclude lower income work activities, thereby exacerbating income inequality.

UNDP conducted two online surveys on WFH for employers and employees respectively. The employee survey focused on: (1) impact on employee income and expenses; (2) quality of life; (3) obstacles, needs, and productivity; and (4) change in perceptions toward WFH. The employer survey focused on: (1) business continuity; (2) support provided to employees and productivity effects; and (3) plans to adopt WFH as a part of regular work and impacts on inclusivity. These surveys were distributed through trade associations, business chambers, and employee groups, alongside broad social media dissemination of the employee survey and targeted advertising of the employer survey. The survey was complemented with a scan of media and social media on perceptions and experiences of WFH in Malaysia to identify key themes and illustrate survey findings.

4. ILO (2020) 5. DOSM (2020e) 6. Siti Aiyisyah Tumin (2020); DOSM (2020b) 7. ILO (2020)

There were 1021 responses to the employee survey, representing employees in local enterprises, multinationals, and government service, as well as self-employed/gig workers. Just over half of employee responses belonged to the middle-income band (monthly incomes between RM3,000 and RM7,000) but there was also significant representation of lower-income groups (23% reported incomes below RM3,000). There were 231 responses to the employer survey, mostly from the private sector. Over 2/3rds of employer respondents were domestic entities, while 29% were MNCs. Small and medium enterprises (200 or fewer employees) made up 79% of all employer responses. Further details of the survey method and respondent demographics are reported in Section 5.

The survey investigated the conditions of those who were able to WFH. Therefore, the scope does not cover the MCO impact on those who were unable to do so. The findings can be read against the larger backdrop of economic disruption and job losses in the midst of the pandemic response. In Q1 2020, job losses increased by 42%, with nearly three quarters of job losses coming from workers earning less than RM4,000. Job losses in Malaysia are expected to increase between 50-200% year-on-year for subsequent quarters.⁸ The economy is expected to start recovering as restrictions are lifted, but with a global recession caused by the pandemic, a return to regular levels of economic activity—and by extension, employment—is not expected within the next year.

We expect that businesses will be drawing lessons from the MCO WFH experiment, not only for disaster readiness but also for starting more sustained WFH policies in ordinary operations. The public sector would also be looking to anticipate the policy implications arising from changing work patterns, such as the Flexible Work Arrangements Tax Incentive announced in the National Economic Recovery Plan. With the majority of survey respondents providing a positive outlook on maintaining or starting WFH as a practice, it is likely that this unprecedented disruption will create a permanent shift in work patterns. It is hoped that the results of this survey may indicate directions for a more detailed study on the long-term implications of WFH as the new normal.

2.

Employee Wellbeing

2.1 Income and Expenditure

Loss of Income

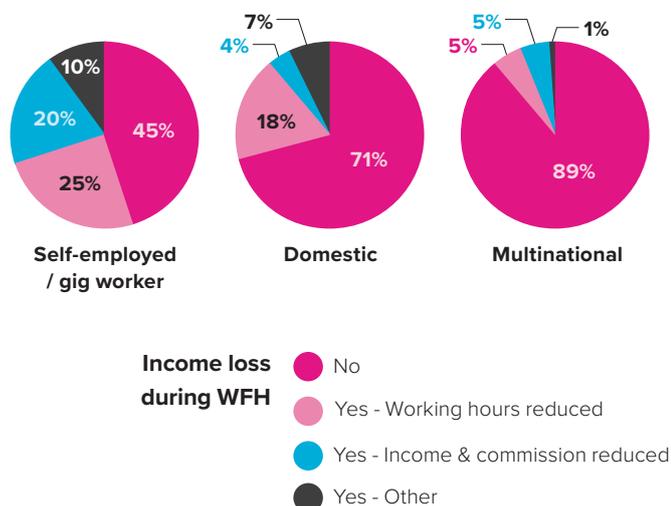
Key messages	Recommendations
Loss of income was prevalent for the self-employed, gig workers, and employees of local enterprises who WFH during the MCO.	There is an urgent need for a robust social net for gig workers, self-employed workers, and those in the informal economy.
Those with the lowest incomes were most likely to face income reductions during WFH.	More effective and targeted wage-subsidy schemes are necessary to protect lower-income workers during socio-economic disruptions.

Even amongst those able to WFH during the MCO, the self-employed and gig workers were much more vulnerable to income reduction, with a majority reporting reduced income. The Department of Statistics, Malaysia (DOSM) survey reported that 46.6% of the self-employed lost their job due to MCO. Moreover, 95% of self-employed workers faced income reduction, of which over a third had lost more than 90% of their income.⁹ **Hence the impact of the pandemic's economic disruption on self-employed workers has been severe.**

This finding is also in keeping with international observations on the impact of economic shutdowns due to the pandemic. ILO estimated a 60% decline in income of informal workers globally in the first month of the crisis and anticipates the wealth gap will widen for workers in the informal economy.¹⁰ Informal economy workers are, by definition, those left out of social safety nets and whose needs are not easily visible to policymakers. There is a need to consider widening social protection policies—particularly in crisis response—to cover gig workers, self-employed workers, and others in the informal economy.

A majority of the respondents (82%) reported no income reduction, while the remainder lost income due to reductions in working hours, commissions, allowances, or side incomes.¹¹ Several respondents reported that unremunerated working hours had increased along with income reduction. Employees of local enterprises were more likely to face income reduction than those of multinational enterprises. **Employees with lower salaries were also more likely to face income reduction**—particularly those earning under RM3,000. In comparison, surveys in April (a month prior), had respectively found that 4% and 7% of workers had faced income reduction.¹² The survey with the most comprehensive sample size (DOSM's Round 1 survey in March) showed that nearly one third of respondents faced income reduction due to partial or unpaid leave, or loss of employment—this was also when the MCO conditions were strictest, in the first two weeks.¹³ The numbers vary due to convenience sampling and the various factors

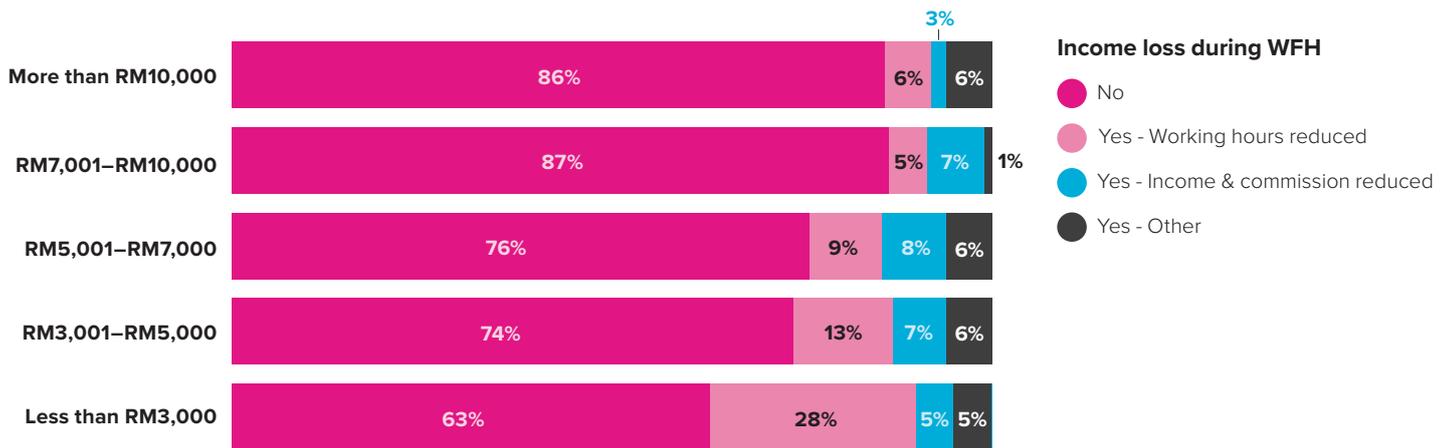
Figure 1: Income reduction by employer type. Self-employed, gig workers, and employees from local enterprises were most vulnerable to income reductions.



9. DOSM (2020b) 10. ILO (2020) 11. To note, the survey was released about Week 5-7 of the MCO and targeted only respondents who could fully or partially WFH; several qualitative responses on both the employees and employers surveys indicated an expectation of income/salary reductions in the near future as the prolonged crisis stretches company resources. 12. AON (2020); DOSM (2020c), pp13. In the DOSM survey the percentage is calculated from respondents who had lost income and were within the labour force. 13. DOSM (2020b). See also Siti Aisyah Tumin (2020), pp5.

Figure 2: Income reduction among private sector employees by income band.

Lower income groups were most vulnerable to income reductions.¹⁴



affecting operations in different phases of the MCO, but we can conclude that the impact on incomes and employment has been widespread. In the long term, a transition to WFH arrangements as a more permanent business practice may also cause a permanent decrease in certain job roles. This effect would need further study to be distinguished from the short-term impact of the MCO.

Income reduction also increased the likelihood that quality of life (QOL) decreased, though this segment still saw a net positive increase in QOL.

Change in Expenditures

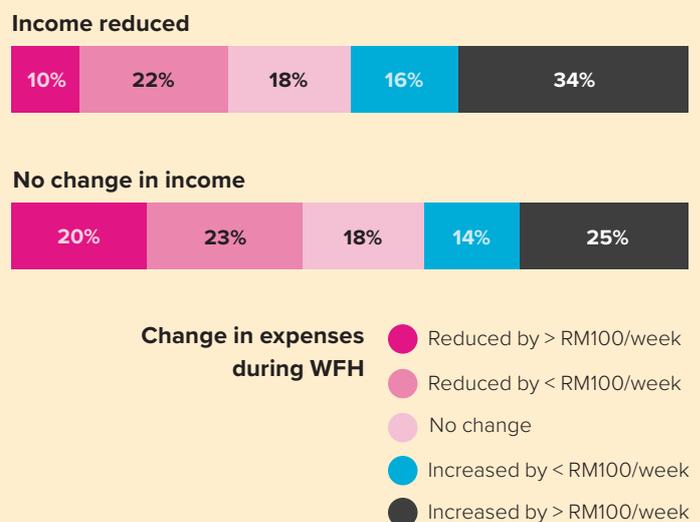
Key messages	Recommendations
Overall expenses were likely to increase during the MCO for those with childcare expenses and earning below RM7,000/month.	Social protection strategies need to protect low- and middle-income households with children.
Employees whose incomes were reduced were also more likely to see weekly expenses increase.	Protect employees, especially those in lower income brackets, from absorbing working costs that should be borne by employers.
Overall expenses increased despite reduced transport and childcare costs. This was in significant part due to costs of work being transferred to WFH employees.	

Despite major savings in transportation, **more survey respondents reported an increase in overall weekly expenses**, especially among those with monthly incomes below RM7,000. This is in contrast to an earlier survey in which only 14% of respondents reported higher daily expenses.¹⁵

Increases in expenditure across most categories were driven by respondents who also reported childcare expenses—even though childcare expenses largely decreased. This suggests that low- and middle-income families with children have high fixed expenses and thus lack fiscal room to compensate for income loss, increases in work expenses, and an uncertain economic climate. Utilities, food, and work equipment drove the increase in weekly expenses. Due to the timing of the survey and the cessation of utilities billing during the MCO, respondents were estimating their utilities. Government provision of 1GB mobile data/day likely limited the increase in mobile and internet expenditure for lower-income earners.

Figure 3: Change in overall weekly expenses by income reduction status.

Respondents who experienced income reductions were also more likely to see their expenses increase.



14. Note that in this and other figures, that the totals may not add up to 100% due to rounding. 15. AON (2020). The AON survey was based on daily expenditure up to April, whereas this survey was based on weekly expenditure up to May.

Figure 4: Change in overall weekly expenses by income level.

Weekly expenses increased for those earning under RM7,000 whereas high income earners were more likely to see expenditure decrease.

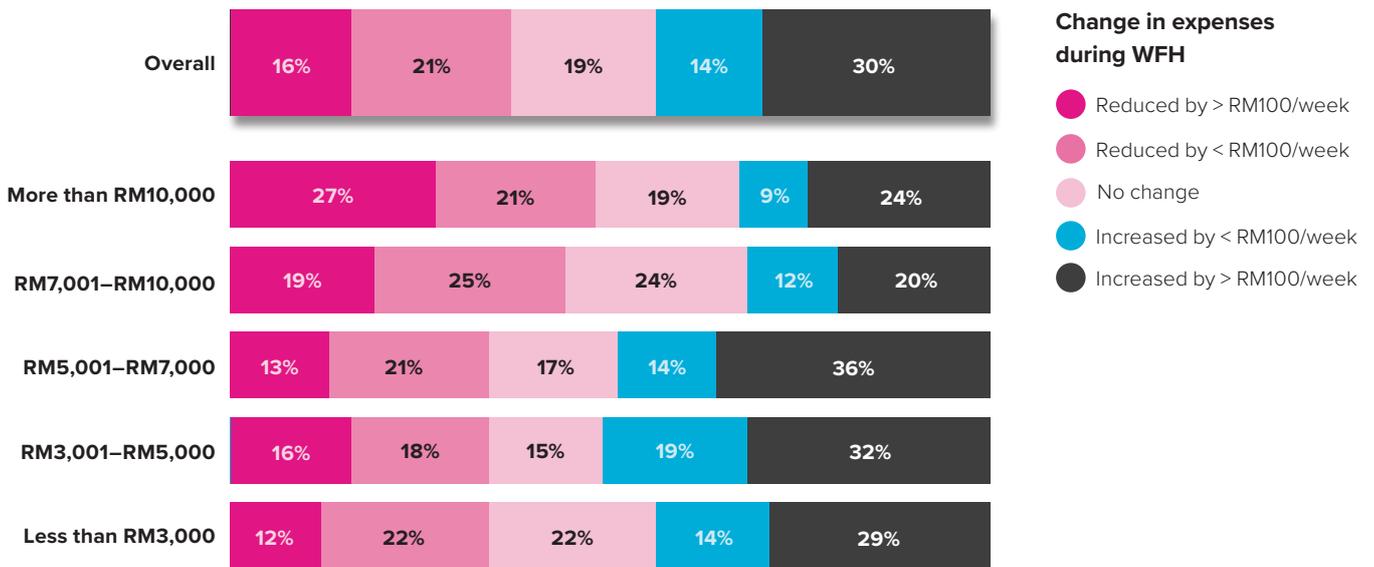
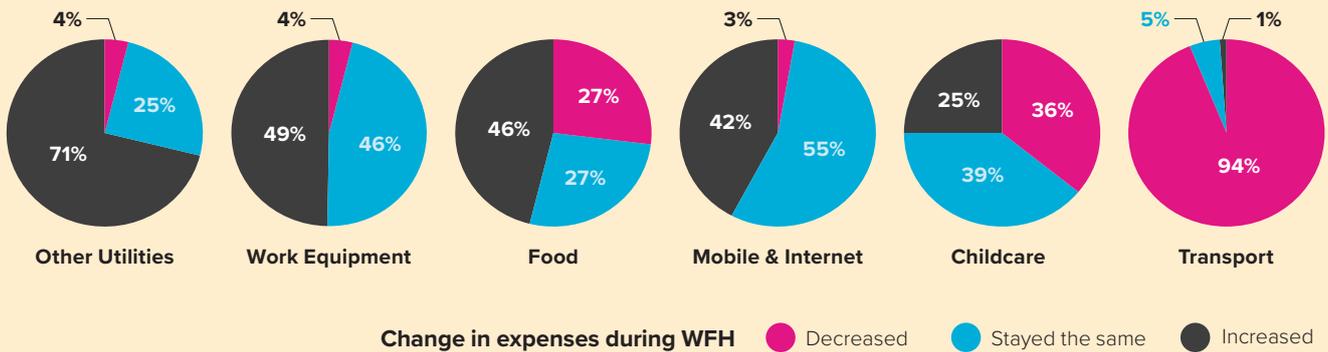


Figure 5: Changes in expenses by expense type.

Employees absorbed working expense in terms of equipment, internet bills, and other utilities during WFH.



Increases in utilities and work equipment expenditure in particular represent a form of cost-shifting from employers to employees. To note, the most requested form of support from survey respondents was material support in terms of work equipment and connectivity. Support needed in terms of financial offset of work expenses at home was also expressed—for example, a respondent mentioned having to upgrade their data plan for work.¹⁶

Those who reported income reduction were also more likely to experience this cost-shifting. Of those who had faced income reductions, 40% reported an increase in internet and mobile expenses and 48% reported an increase in equipment expenses vs. 35% and 43% respectively for those whose salaries stayed the same. **Employees who experienced pay-cuts while WFH were especially vulnerable to increased expenses, which may reflect financially challenged employers shifting costs of work to employees.**

Respondent Perspective

“Kemudahan jaringan Internet yang laju dan baik sangat diperlukan berbentuk elaan Internet”

“Companies should pay for employee’s Internet plan for WFH options”

16. See 3.2 Employer Support and Employee Productivity, Fig. 28

2.2 Quality of Life

Quality of Life during Work From Home

Key messages	Recommendations
WFH increased QOL for most employees.	When managed well, WFH can benefit both employer and employees. This requires employers to develop clear and reasonable policies for employees who WFH that include respect for work-life boundaries.
Improved QOL was linked with ease of managing domestic responsibilities.	
Employees who reported Improved QOL also reported improved productivity.	
However, there is strong anecdotal data of WFH disrupting work-life integration due to employers/managers who fail to respect boundaries.	

WFH had a net positive impact on Quality of Life (QOL).

More than half of all respondents reported improvements in QOL, with the highest likelihood of improvement recorded among the 35-54 age group—the age group which also had the highest percentage of respondents with domestic and caregiving responsibilities.

Overall, 51% of all respondents reported that domestic responsibilities were easier, against 29% finding it more difficult. There were significant gender differences, described in Section 2.3. Improvement in managing domestic responsibilities was a major predictor for increases to quality of life and self-reported productivity while working from home, both for those with and without childcare responsibilities. In other survey findings, quality time with family and household chores were the most frequently reported activities filling up the time gained during MCO, with more than 60% of respondents for both activities.¹⁷ WFH can increase QOL and one of the key factors is being able to invest time gained in family and household duties.

There were no significant variations in shifts in QOL across gender or employment seniority.

Figure 6: Change in QOL by age category.

Most respondents reported that WFH improved their quality of life. The greatest improvement was seen in the 34-45 age group, who were most affected by domestic responsibilities in our sample.

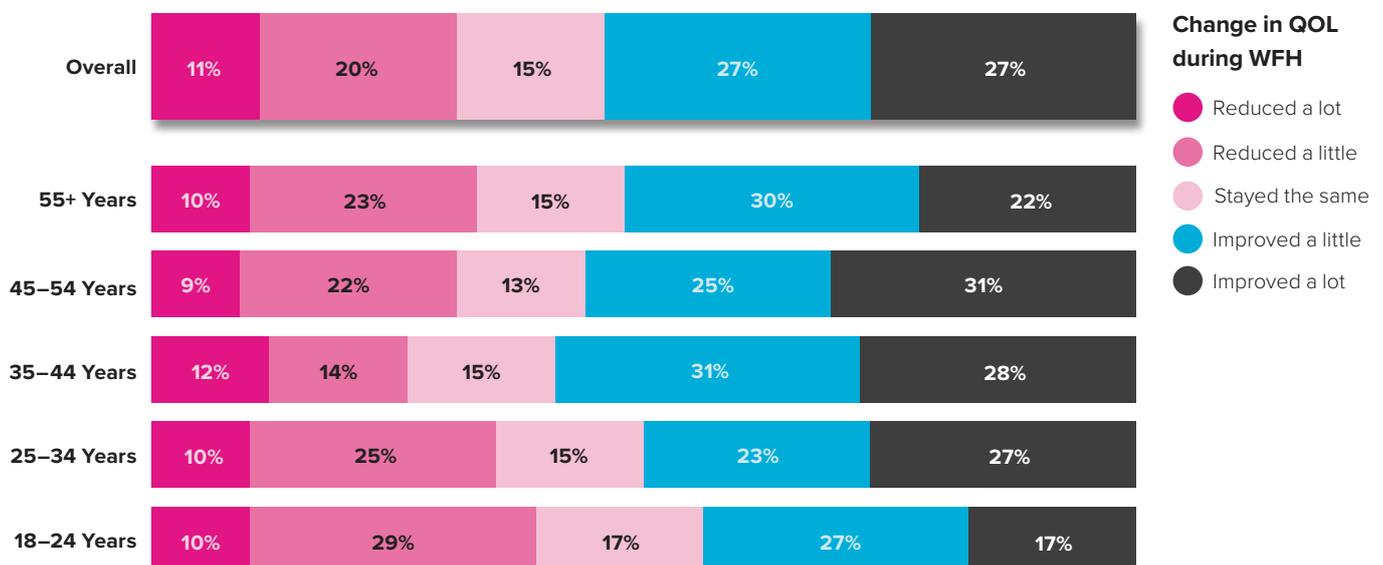


Figure 7: Change in QOL and ease of domestic responsibilities for employees with childcare responsibilities.

Employee QOL was strongly impacted by whether WFH increased the ease of managing domestic responsibilities.

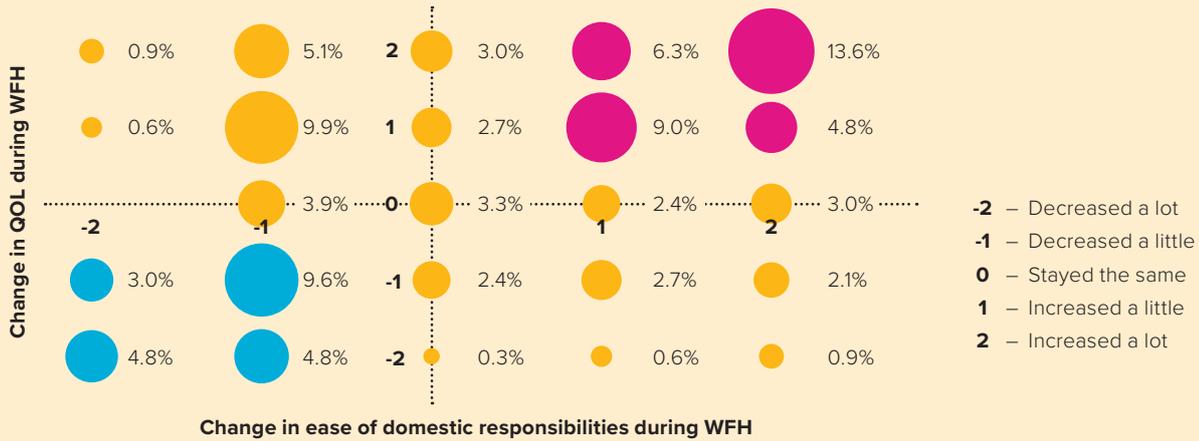
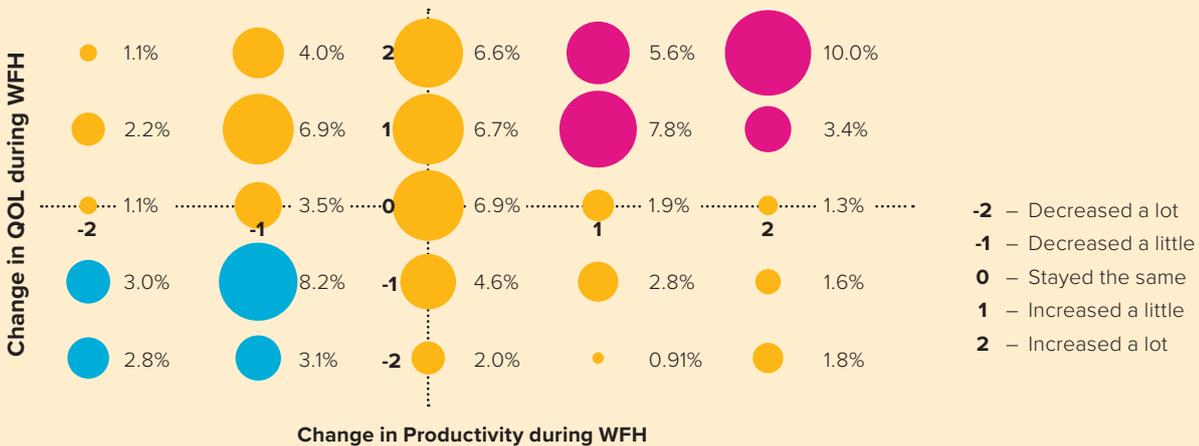


Figure 8: Productivity and QOL.

Employee productivity correlates with QOL.



Respondents with childcare responsibilities were nearly three times more likely to find domestic responsibilities much easier rather than much more difficult. A third of respondents in this group reported a slight increase in difficulty yet were almost equally likely to have an increase or decrease in QOL. A significant drop in QOL is only observable for the minority who found domestic responsibilities much more difficult.

As the MCO conditions also mandated the closure of schools and childcare, these results could reflect a worst-case scenario in terms of increased difficulty for caregivers. The high level of increase in QOL and ease of domestic responsibilities amidst difficult conditions indicates that WFH has a net positive outcome for work-life integration particularly when it comes to childcare responsibilities.

For employees, **self-reported productivity strongly correlates with QOL.** Employees who reported reduced QOL were much more likely to report reduced productivity, and vice versa. This may indicate QOL as a major driver of productivity and/or vice versa, or that factors driving QOL also play a major part in enabling or impeding productivity while WFH.

Respondents' comments indicated some common themes, for example: **respondents expressed satisfaction with WFH conditions if flexibility and time saved during commuting was effectively used for work, family time, health, or domestic responsibilities.** However, if "flexibility" meant a lack of boundaries between management expectations and personal life, or being overwhelmed by domestic responsibilities, the WFH experience was not satisfactory. The expectation on employees to be continuously available had negative impacts on work-life integration.

These findings imply that QOL and productivity improvements are mutually reinforcing factors, and that **WFH can be a win-win solution for both employers and employees when the trade-offs between QOL and productivity are well-managed.** The following sections discuss the factors driving QOL and productivity which employers should keep in mind when developing WFH policies.



Social media posts discussing work-life balance illustrate family demands while working from home. Many employees expressed the unrelenting expectations of working from home with longer working hours and unaltered work deadlines, in addition to family demands in caregiving and meal preparations.

■ ***“I would wake up early, cook breakfast and work, simultaneously, while the kids were still asleep. Why? Because once they wake up, they would constantly demand my attention, asking for milk or food throughout the day. They would also complain that they’re bored (because they’re stuck at home), even when I’m in the middle of meetings with the boss, discussions with my workmates or trying to prepare a report”***

(Employee)

in contrast, those with flexibility to control their work schedule—often employers or more senior employees—posted more positive accounts citing additional time for self-reflection, and awareness to spend time with loved ones.

■ ***“Personally, I’m grateful that we’re forced to slow down in our lives and be more mindful in everything that we do, taking more time to reflect on what really matters and spend quality time with our loved ones”***

(Employer)

Several media posts also draw attention to the importance of maintaining a sense of discipline, taking frequent breaks, and indulging in hobbies in order to support a healthy mental state.

Commuting and Working Hours

Key messages	Recommendations
Time saved in commuting is the major driver for overall QOL, enabling work-life integration.	WFH has the potential to be a major time saver at individual and societal scales, with reduced commuting also generating benefits in reduced carbon emissions and traffic congestion. WFH is highly relevant to urban planning and environmental policy.
Employees had the greatest increase in QOL when working hours increased moderately (less than 1 hour a day). This shows that employees care about their work and are willing to invest some of the time gained into work productivity.	Many employees are engaged with their work, and employers will benefit from extending trust and managing them accordingly when instituting WFH practices. For example, employee monitoring should be based on outputs and productivity, not keystroke monitoring software, video presence on webcams, etc.
When working hours increased by more than 1 hour/day, QOL substantially decreased. A high percentage of employees able to WFH throughout the MCO experienced this increase.	Unreasonable WFH demands that do not acknowledge boundaries or allow employees to benefit from flexibility are likely to create employee disengagement and burnout.

More than 90% of respondents reported reduced commuting times, with over 40% of respondents saving more than one hour. Time saved in commuting strongly correlated with increased QOL, with increased time for domestic responsibilities as a major factor. Among employees who did not save time commuting, WFH had a net-negative effect on QOL. In addition to time savings, reduced commuting also generates significant benefits in reduced expenses and carbon emissions. In 2015, the World Bank estimated that commuting in the Greater KL region alone generates costs in time, petrol, and carbon emissions equivalent to RM 12.7–24.7 billion annually.¹⁸

Figure 10: Change in working hours by employer type for employees who WFH throughout the MCO.

Among respondents who WFH throughout the MCO, many saw their working hours increase.

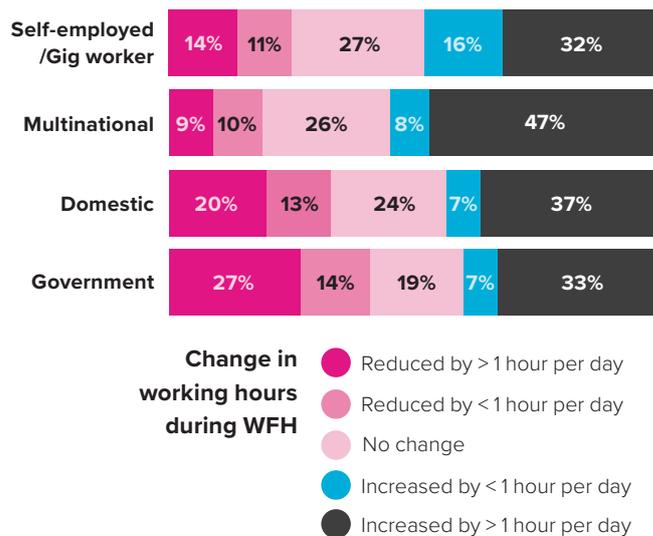
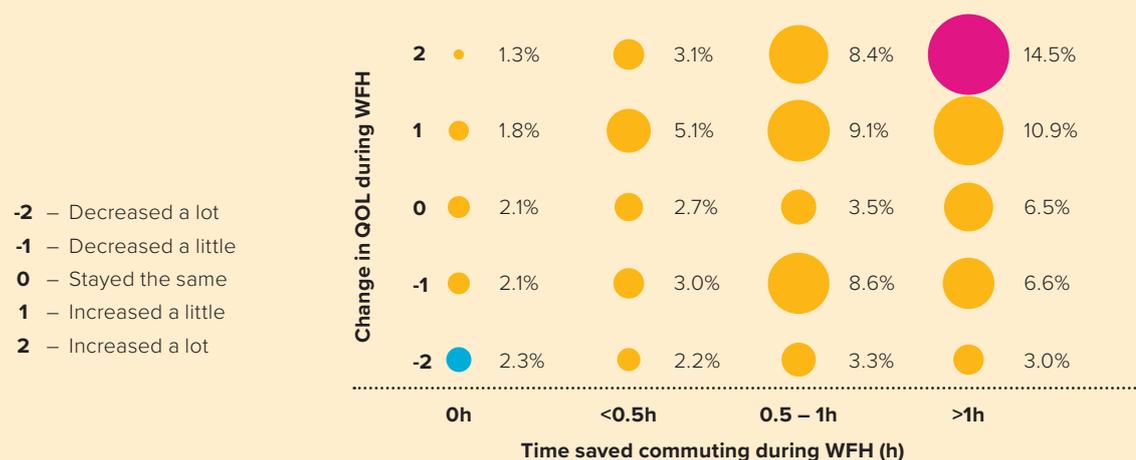


Figure 9: Commuting time saved and QOL during WFH.

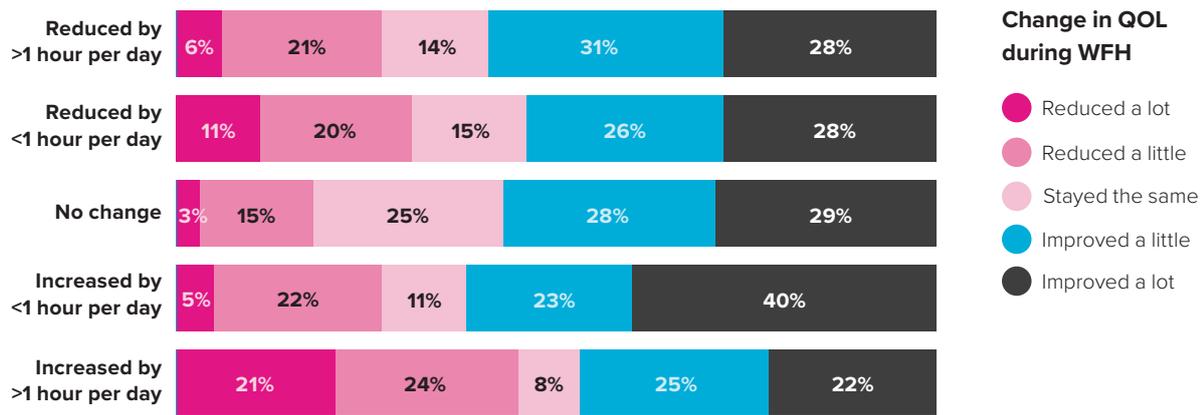
Most respondents saved substantial time commuting, with corresponding benefits for QOL.



¹⁸. World Bank (2015)

Figure 11: Impact of change in working hours on QOL.

Employees with small increases in working hours recorded significant improvements in QOL. However, when working hours increased by more than one hour/day, substantial reductions in QOL were seen.



Three weeks into the MCO, a survey by AON indicated that 63% of respondents had a lower workload, with 77% reporting a loss in productivity.¹⁹ This survey, carried out a month later, had 71% of respondents reporting that they could fully WFH. For the sample who could WFH throughout the MCO, productivity gains and losses balanced out overall.

For those who fully worked from home, work hours largely increased during the MCO. A significant increase in working hours (>1 h/day) corresponded with a sharp decrease in QOL. Employees of multinational enterprises were the most likely to face longer working hours, of which nearly half experienced a greater than 1-hour increase. Qualitative comments collected showed that a number of respondents faced increased pressure due to WFH because employers or colleagues did not respect work-life boundaries and expected the respondents' virtual availability at all hours, reversing the expected benefits of WFH for work-life balance.

On the other hand, a slight increase in working hours corresponded with significant improvements in QOL. This shows that employees recognise the trade-offs that give them flexibility, and do not mind transferring some of the time gained into additional productivity for their employer.

Respondent Perspective



“Pengurangan jam perjalanan menyebabkan produksi bekerja dirumah meningkat”

“No time limit when working at home. Everyone have their own suitable time and keep contact me even at midnight for work purposes”

“Working from home gives me the flexibility to cook my own meals and lead a healthier lifestyle. Due to long working hours demanded by my work, I mostly eat fast food and rarely exercise. During MCO also I realised that I prefer to do my work at night where I can work productively”

Box 2 Employers not respecting employee boundaries

Social media posts show employees facing longer working hours and work requirements from employers at erratic hours. Employees felt like they had to be constantly engaged in their work, with no cut-off point.

■ **“Dekat Asia/Malaysia tak boleh praktis wfh. Sebab bosses tak hormati waktu bekerja. Jam 10 malam pun nak itu ini. Ehhh cannot laaa.”**

(Employee)

■ **“Exactly my thoughts. When you WFH, there’s no official working hours. That means you’re working 24/7 and can still be working or replying emails at odd hours weekend etc”**

(Employee)

Social Isolation

Key messages	Recommendations
Social isolation due to WFH affects a limited population but has significant effects on their QOL and productivity.	If WFH becomes a norm, new skills and spaces will be necessary to create meaningful social connections in and out of the workplace.

Respondents were asked whether they felt lonely as a result of the MCO. **One third of employees were not able to adapt to a fully WFH environment, reporting that they felt very or somewhat lonely, and isolation had an impact on their QOL and productivity.** However, the majority of respondents felt only a little lonely or not at all. The MCO was unique in the degree and temporary nature of the isolation experienced, as all social activities were restricted. Hence, we may anticipate social isolation to be less under regular WFH conditions, where people have other outlets for social interactions. Nonetheless, those who depend on work settings for social connection will need to develop the skills to form social connections virtually and/or seek out other environments to connect with people.

Respondent Perspective

“Kekurangan motivasi sebab tidak ada pertandingan antara rakan bekerja”

“With lack of social stimulation, it can feel isolating which then disrupts my focus at work. This constant isolation is not good for decision-making either as I feel I made more mistakes WFH than I ever did at the office.”

Figure 12: Loneliness and QOL during WFH.

A small percent of respondents experienced strong social isolation with large impacts on QOL outcomes.



2.3 Gender Spotlight

Work and Income

Key messages	Recommendations
Among those who WFH during the MCO, more women than men respondents were able to WFH throughout the MCO.	To be gender-inclusive, social safety net strategies need to consider differing patterns of income reduction among different sectors during economic shocks.
Women who were only able to WFH for part of the MCO were twice as likely to experience income reductions compared to women who WFH throughout.	
Men who WFH for all or for part of the MCO were equally likely to experience income cuts.	

Loss of income during the MCO was different for men and women who WFH. Among those who WFH, men were somewhat more likely to report only being able to WFH for only part of the MCO (29% vs. 24%) and to report loss of income (28% vs. 23%) than women. **However, the ability to WFH throughout the MCO does not explain the difference in income loss patterns across genders.** Men were about equally likely to experience loss of income whether they WFH for part or all of the MOC (29% vs. 28%). Conversely women who were only able to WFH part of the MCO were much more likely to report Income reduction than those who WFH throughout (38% vs 19%).

It is likely that the difference in income reduction patterns was due to sector-specific practices and the difference in gender distribution across sectors. Social safety net systems that account for difference in the needs and practices among economic sectors are likely to deliver more gender-inclusive results.

Figure 13: Percent of non-government employees who were able to WFH throughout the MCO vs. only part of the MCO, by gender.

Among respondents, women were slightly more likely than men to be able to WFH throughout the MCO.

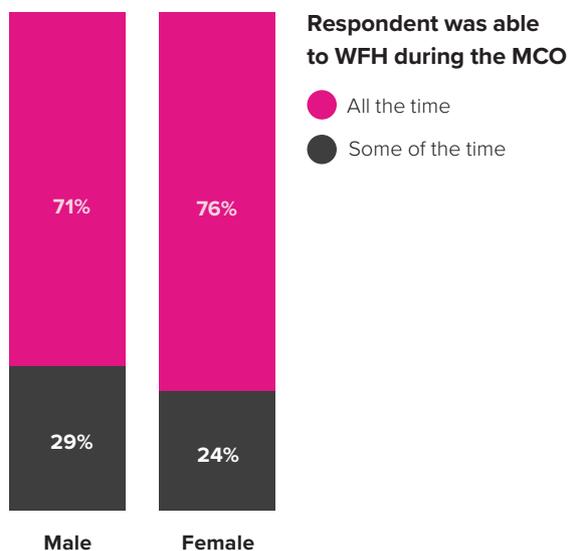
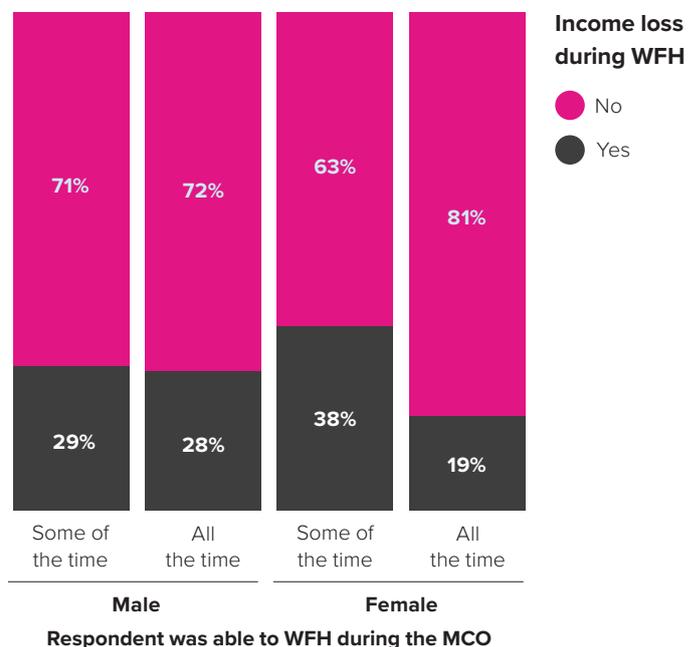


Figure 14: Income reduction of non-government employees by ability to WFH throughout the MCO, by gender.

Women who only WFH part of the MCO were much more likely to experience income loss than those who WFH throughout the MCO; men were equally likely to experience salary reductions whether they worked part or all of the MCO.



Domestic Responsibilities

Key messages	Recommendations
Although caregiving poses WFH challenges, WFH generally improved QOL and productivity of caregivers.	Employers can benefit from enabling and encouraging caregivers to WFH.
WFH is especially important to women in the 35-44 age range, due to caregiving responsibilities.	At the national level, encouraging WFH can be part of a holistic strategy to retain caregivers, especially women, in the workforce. Certain groups of caregivers may require additional support to fully benefit from this option.

While both genders tended to find domestic responsibilities easier as a result of WFH, women were twice as likely as men to report increased difficulty.

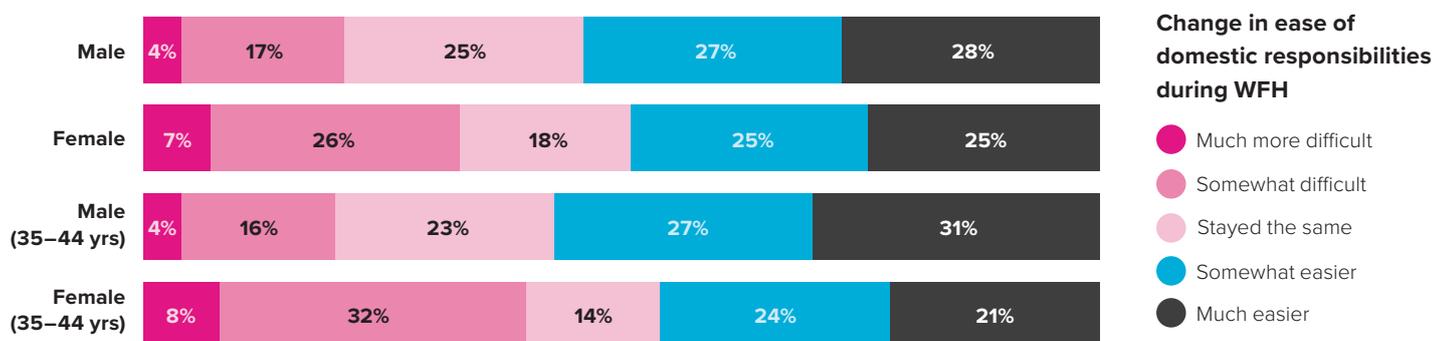
There are gender and age impacts in the relationship between domestic responsibilities and QOL while WFH—particularly driven by childcare responsibilities. Caregiving also extends to care for the elderly, and singles may have caregiving responsibilities for parents or extended family; however, such effects were not captured within the survey.

Women in the 35-44 age band were most likely to report increased difficulties in domestic responsibilities as a result of WFH. This is also the age band with the largest proportion of respondents with childcare responsibilities. Nonetheless, these respondents were still more likely to report that WFH made it easier to fulfil domestic responsibilities, suggesting that WFH could help caregivers to stay in the workforce by enhancing work-life integration. Gender differences in domestic responsibilities and QOL were also observed in the 45-54 age range but were minimal in other age bands.

Amongst women, caregivers and non-caregivers were about equally likely to report improved productivity while WFH; however, slightly more caregivers reported decreased productivity. Conversely among men, caregivers reported substantially improved productivity compared to non-caregivers. This points toward the higher caregiving burden on women during the MCO. This effect may be more intense in MCO conditions where schools and childcare providers were unable to operate, and parents had no choice but to monitor their children at home. However, it is also likely an illustration of the longstanding burden on women who shoulder more unpaid care work than men even while holding full-time employment. For example, the recent Khazanah Research Institute (KRI) pilot time-use study found that working women spent 64% more time on unpaid care than working men under normal working conditions.²⁰

Figure 15: Ease of domestic responsibilities while WFH by gender, for all age groups and for the 35-44 age range.

A majority of both women and men reported that WFH made it easier to manage domestic responsibilities. However, the domestic burden falls more heavily on women.



20. KRI (2019)

Figure 16: QOL impacts of childcare givers and non-childcare givers, by gender.
 Both those with and without childcare responsibilities received QOL benefits due to WFH, with more male than female caregivers seeing QOL benefits.

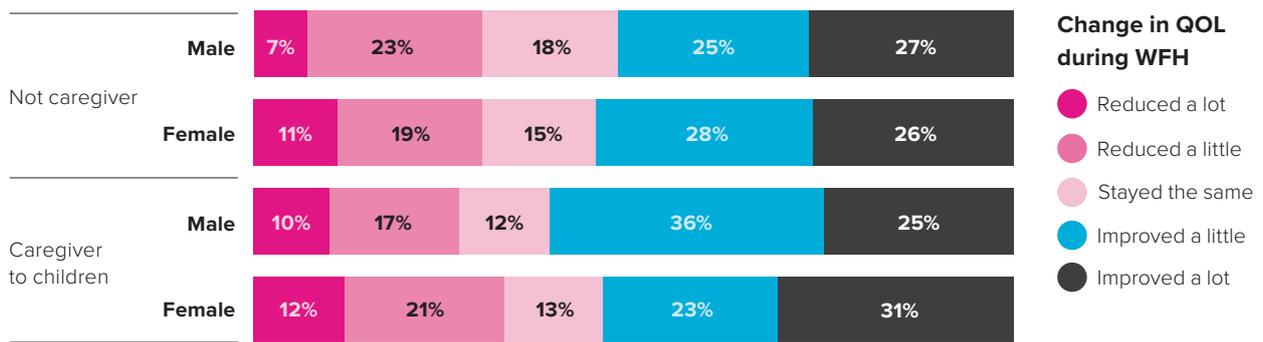
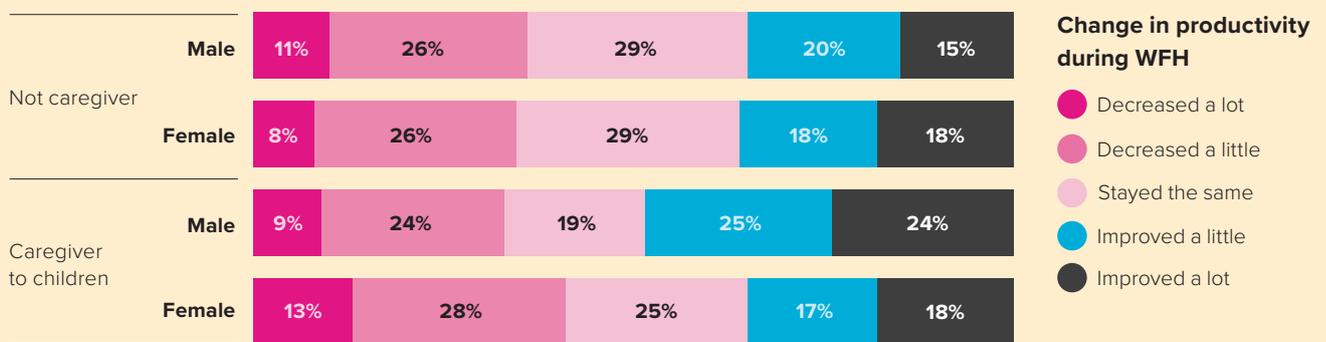


Figure 17: Productivity of childcare givers and non-childcare givers, by gender.
 Female caregivers had equal likelihood of productivity improvement as non-caregivers. Male caregivers reported the greatest productivity benefits as a result of WFH.



With 60% of women outside the labour force in Malaysia reporting housework and family responsibilities as the reason for non-participation,²¹ solutions that address work-life integration are necessary to improve women’s access to work. While the study findings are illustrative of the difficulty faced by women caregivers, women nevertheless maintained productivity and reported improvements in QOL during WFH. This suggests that WFH can be an important part of a holistic strategy—including shifting gender norms and making affordable childcare services more widely available—to retain caregivers, especially women, in the labour force.

Two different perspectives:

Respondent Perspective

“Of course improved, my quality time spending with my family improved a lot as I normally spent 4 hours daily to travel to work, during this MCO I WFH so I can manage my housekeeping as well my kids studies and earn from home.”

“Being a single mother, with no family support for childcare, and with childcare centres being closed, I am now the sole carer of a toddler. It’s impossible to do any focused work, any focused reading and writing for work, with a toddler calling MOMMY MOMMY every few minutes. I don’t blame the toddler. The toddler’s needs are important. But how am I going to deliver on my work with this constant interruption? I simple can’t...”

21. DOSM (2019a)



Mothers expressed their thoughts regarding family responsibilities, caregiving, and concern about their children's education on social media. Family demands create caregiving challenges from mothers, who must shift their working later into the night.

■ ***“For my company, I am still at work. For my family, the concept of ‘work from home’ means more like I am accessible to them freely for ‘mummy duties’.”***

(Mother, she found herself working until later at night as she had to compensate for family needs during the day.)

For such mothers, managers granting flexibility to allow subordinates to adjust their working hours helped mothers to better cope with the new working arrangements.

■ ***“So i told my boss, i need some time to finish any work. I prefer to work at midnight as lo can sleep in a longer stretch. Boss approved (thank god) I am a secretary, therefore my work based of paperwork. My lo is 6m+, im her human pacifier.”***

(Mother, employee)

Two mothers agreed that working from home is tougher while caregiving is tough but worthwhile.

■ ***“There were times that I forgot to take a shower in the morning as I was juggling between work and my children. In fact, there were time I did teleconference while trying to put my children to bed,”***

(Mother, employee)

However, the survey respondent was thankful to be able to work during the MCO, and viewed the period as the best way to ‘reclaim’ lost time with her children as she was always busy working at the office prior to MCO.

■ ***“Yes it is very tough during mco need to work from home...plus tight dateline to do fina[n]cial year end...but blessed with hubby to help baby sit 4 kids (3toddler + 1 7month baby).”***

(Mother, employee)

Gender and Communication

Key messages	Recommendations
Women are less likely to perceive their employers as open to WFH arrangements.	Employers need to take the lead in offering WFH and other accommodations to overcome employee fear of discrimination.
Women reported better communication with colleagues during WFH. This is a benefit to employers and fulfils an important workplace function.	Employers should work toward gender diversity in the workplace and recognise the benefits it brings for implementing WFH.

Women are less likely to perceive that their employers will consider WFH arrangements even though—or perhaps because—the burden of domestic duties on them is higher. This corresponds with the gender gap in internet use rates,

in which women are less likely than men to use the internet to WFH (10.2% against 11.7%).²² This perception gap may indicate that women are also less likely to vocalise the need for flexible work arrangements for fear of being discriminated against. Employers should consider pro-actively assessing the suitability and benefits of WFH among their employees as WFH is a possible means of including more caregivers in the workforce. Currently, the labour force participation rate (LFPR) of women is still much lower than that of men in Malaysia, with domestic responsibilities being the main reason for non-participation. Women also outnumber men 3 to 1 among the caregiver population outside the labour force.²³ **The onus is on the employer to provide avenues for employees to communicate their work-life balance needs to management without fear of discrimination.**

Women reported much higher quality of communication with colleagues during WFH. This is a benefit to employers and provides an advantage in cohesiveness for work environments that involve a great deal of remote working or WFH.

Figure 18: Employee perception of employer openness to WFH arrangements under normal conditions, by gender. Women were less likely than men to think that employers would be open to WFH arrangements.

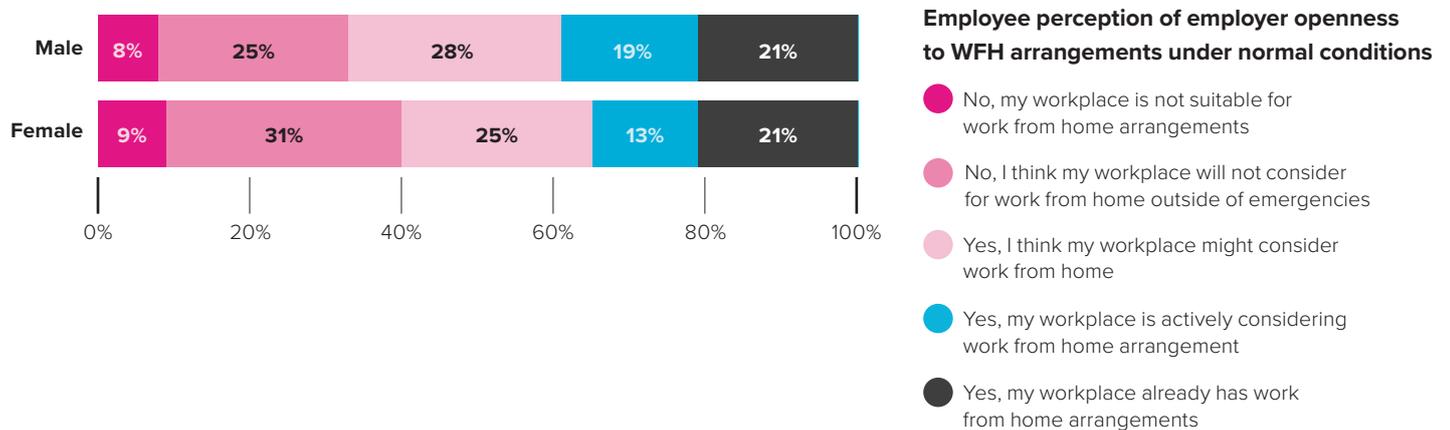
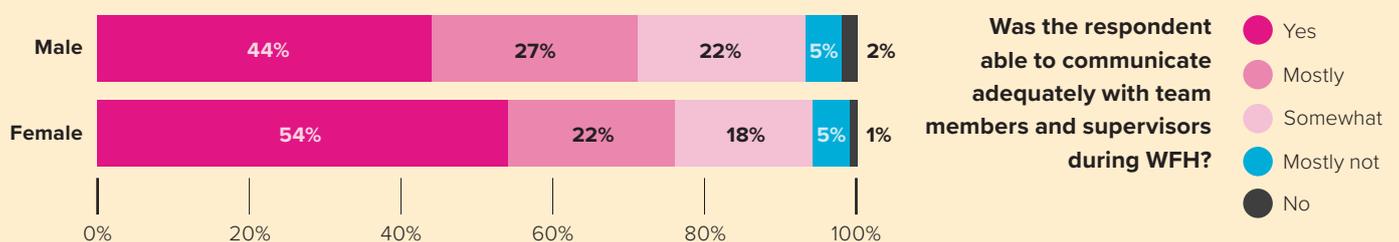


Figure 19: Communication with team members and supervisors during WFH, by gender.

Women generally reported higher quality of communication with colleagues than men during WFH.



22. DOSM (2019b) 23. KRI (2019).

3.

WFH Experience during the MCO

3.1 Prior WFH Experience and Business Continuity Plans (BCPs)

Impact of Prior Experience with WFH on Operations

Key messages	Recommendations
Substantial experience with WFH was beneficial to business continuity during the MCO.	Workplaces that are able to make use of WFH arrangements should consider doing so routinely as part of a strategy to build resilience to crises and disruptions.
Merely having WFH policies did not benefit employers during the MCO when the policies were infrequently or not utilised prior to the crisis.	

Among enterprises not in essential services, large employers and MNCs were more likely to have had experience with implementing WFH policy. **Prior experience with WFH improved continuity of business operations. However, having unused or underutilised WFH policies did not help continuity** for a significant proportion of enterprises, which were disrupted by the transition to WFH. Among enterprises with WFH experience, local enterprises appeared to be less prepared than multinational corporations (MNCs) to leverage this experience for business continuity.

Figure 20: Prior experience with WFH arrangements, by local and multinational enterprise.

Multinationals were much more likely than local enterprises to have WFH experience prior to the MCO.

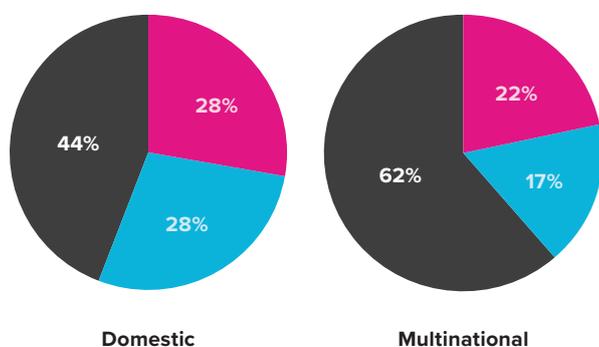
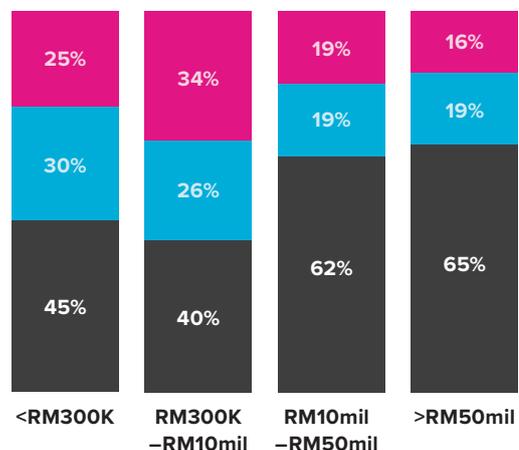


Figure 21: Prior experience with WFH arrangements, by enterprise revenue.

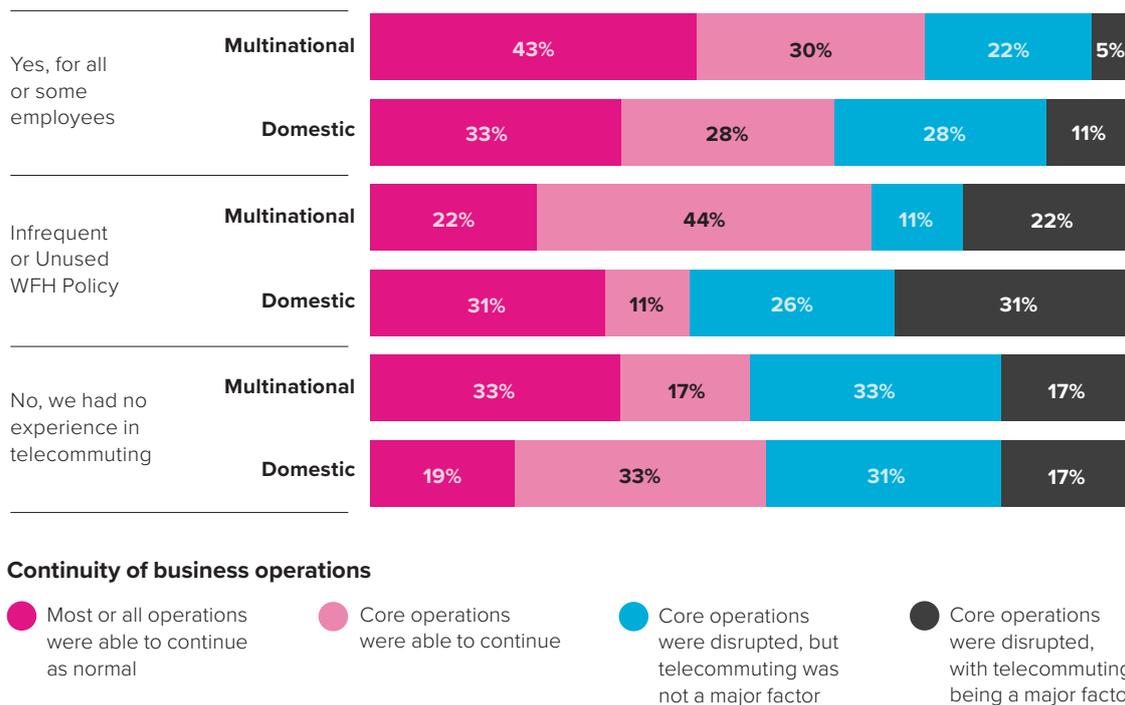
Larger employers were more likely to have WFH experience prior to the MCO.



WFH experience prior to the MCO

- No, we had no experience in telecommuting
- Infrequent or Unused WFH Policy
- Yes for all or some employees

Figure 22: Impact of prior WFH experience on continuity of operations during MCO, by local and multinational enterprise.
 Prior WFH experience improved business operations during MCO for both MNCs and local firms that were not essential services, but merely having WFH policies did not deliver the same benefits.



Impact of Business Continuity Plans (BCPs) on Operations

Key messages	Recommendations
Business continuity plans were beneficial for business continuity during the MCO.	Improving business continuity capacity should be a part of policies supporting domestic investments in digitalisation.
Domestic and smaller firms were less likely to be ready for WFH, with disruptions due to WFH a larger obstacle in maintaining operations compared to multinational firms.	

BCPs played a major role in helping businesses maintain operations. A total of 43% of enterprises had adaptive capacity, i.e. they adapted or developed BCP for workplace closure in time for the MCO and were able to maintain at least core operations offsite by the fourth week of MCO. Among enterprises with BCPs, domestic enterprises and MNCs had similar performances. However, domestic enterprises without BCPs were more adversely affected than MNCs. Micro, small, and local enterprises were less likely to have adaptive capacity and were more affected by the lack of infrastructure or systems to enable WFH.

Figure 23: Continuity of operations during MCO, by annual revenue.
 Smaller enterprises were less ready to switch to WFH during the MCO.

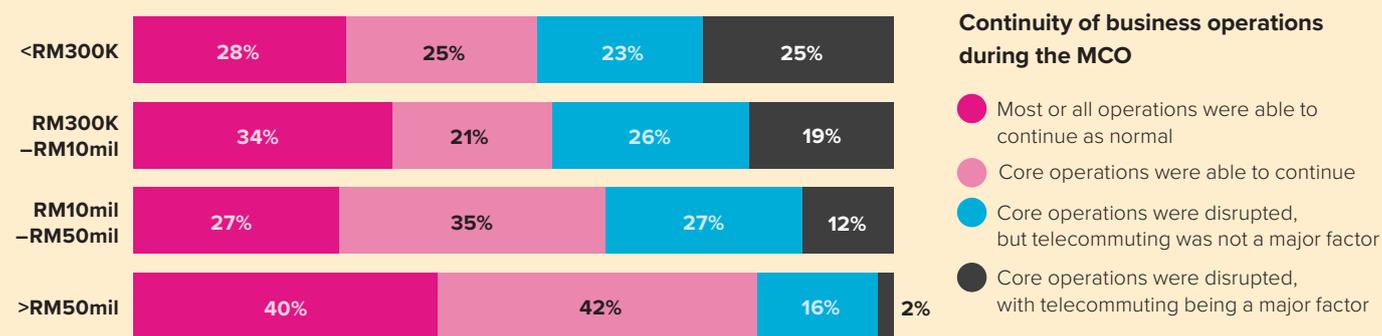
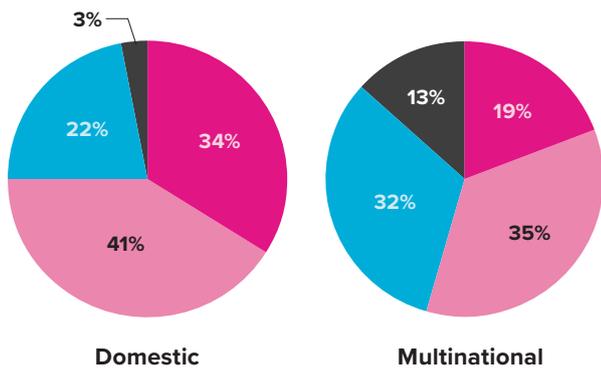


Figure 24: Availability of BCPs at the start of MCO, by local and multinational enterprise.

Multinationals had a higher likelihood of preparedness than domestic enterprises.



BCP is also of particular importance where sensitive information or intellectual property concerns require additional security. For example, in the employees' survey, some respondents commented on inability to access important files and information which were only available on-site as an obstacle, whereas other respondents recognized employers providing technical support in terms of remote access or provision of appropriate files for work.

“Require to travel locally or overseas for contract work therefore unable to carry out commitments due to travel ban”
- Technical services

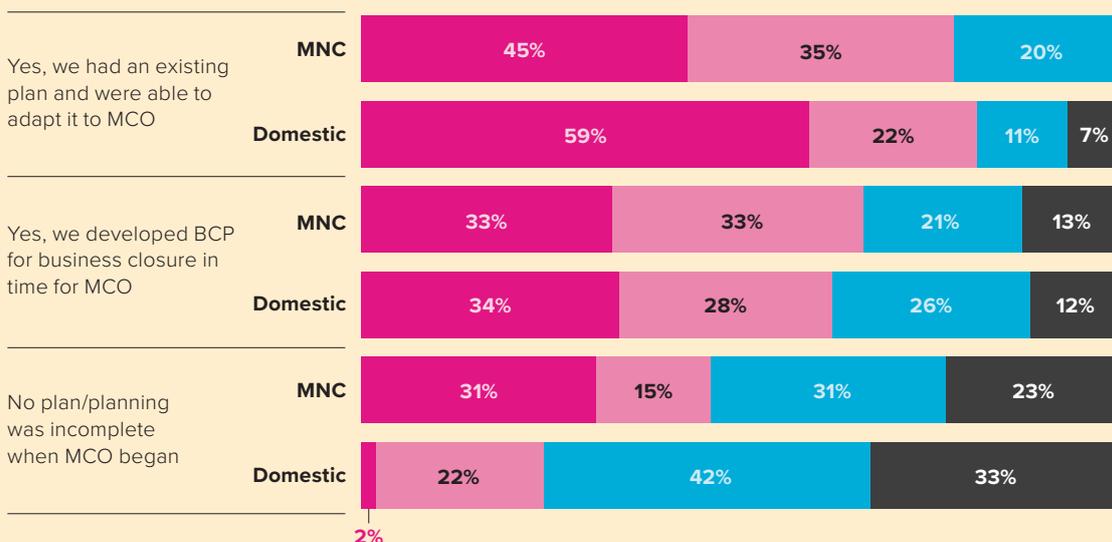
“We were unprepared for the MCO. Therefore we just collapsed”
- An F&B company

Availability of BCP at the start of the MCO

- Yes, we had an existing plan and were able to adapt it to MCO
- Yes, we developed a BCP for business closure in time for MCO
- No plan/planning was incomplete when MCO began
- No, we are an essential service that remained open

Figure 25: Impact of BCPs on continuity of operations during MCO, by local and multinational enterprise.

Having a BCP helped maintain business operations during MCO for both MNCs and local enterprises that were non-essential services (i.e. had to WFH).



Continuity of business operations

- Most or all operations were able to continue as normal
- Core operations were able to continue
- Core operations were disrupted, but telecommuting was not a major factor
- Core operations were disrupted, with telecommuting being a major factor

3.2 Employer Support and Employee Productivity

Perceptions of Productivity

Key messages	Recommendations
Employee and employer perceptions on productivity during WFH are in a similar range.	Employers should examine employee productivity during WFH over the MCO to determine if employee satisfaction and productivity gains can be achieved by normalising WFH practice.
Overall effects of WFH on employee productivity during WFH were neutral-to-positive.	

Employers and employees had similar views of employee productivity during the MCO, which was fairly evenly distributed between views on net productivity gain and net loss. However, employers reporting productivity loss were more negative in their view, and more likely to indicate that productivity decreased greatly.

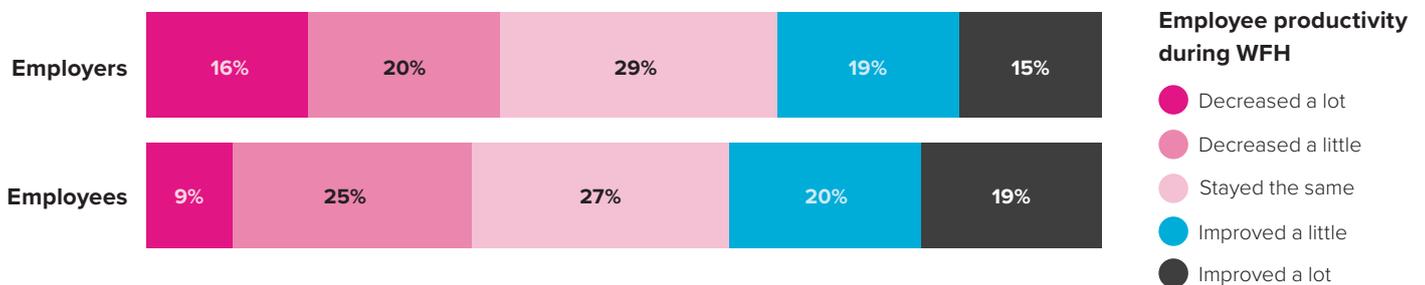
There is no indication that switching to WFH results in a net loss in productivity. Rather, **it is important for businesses**

to identify the right productivity drivers in switching to an increased pattern of WFH or remote working. In fact, in one published study on WFH in a firm, transitioning to WFH resulted in a gain of between 20% to 30% in total factor productivity,²⁴ of which 13% was attributed to increase in employee performance due to WFH. When employees self-selected their option to WFH or return to regular office work after the experiment, 50% from the WFH group chose to return to the office, and overall employee performance rose by 22%.²⁵ The study findings show that employees are able to assess their own suitability for frequent WFH, with the population being fairly evenly split between those who prefer WFH and those who do not – a result that is also found in the survey outcomes reported here (see Section on Employee Preferences, below).

Flexible work arrangements which translate to better work-life integration and higher QOL for employees can result in high productivity gain. This however requires a change in mindset and also in the way employee work performance is evaluated based on outputs and work objectives rather than inputs, particularly in services-based sectors.

Figure 26: Productivity of employees who worked throughout the MCO, as reported by employees and employers.

Employers and employees reported similar levels of employee productivity during the MCO, with gains and losses largely cancelling out.



24. Besides employee performance, other factors taken into account were reductions of office premises and staff turnover 25. Bloom (2015)



Box 4 Monitoring and guidelines on WFH arrangements

One business owner stated his perceived loss of control over the lack of ability to monitor attendance and productivity of employees.

■ ***“Ramai Usahawan PKS start bekerja dari #WFH... tapi masih tak dapat monitor kehadiran STAFF. Adsinar menggunakan system attendance [sic] yg hanya Punch In/Out smartphone Android & iPhone.”***

(SME owner)

Employees on the other hand noted that being physically present in the office does not equate to greater productivity, and that there is a lack of trust from supervisors.

■ ***“Malaysia bosses have trust issues when it comes to WFH. Walhal, byk faedah kos, less traffic, safe and esp kalau family people. U can sit in office and membawang 4 hours. With WFH, u can work 7 days with gaps in between. More important is productivity and results.”***

(Employee)

Other employees remarked that they were left out of WFH arrangements though they perceived they could.

■ ***“Watching my Malaysia TL enjoying the RMO while I’m here still suffering from no wfh arrangements.”***

(Employee)

■ ***“What I don’t understand is why at times like this, employees who can work and manage work from home need to take this risk for themselves and their families. Why at times like this, we have no right to object and say “Hello! Your SOP puts myself and family at risk, so I choose my SOP and work from home!”***

(Employee)

Hence, there is an evident need for better articulation of WFH guidelines and when it can/should be adopted.

Employer Support

Key messages	Recommendations
The most frequently cited obstacles to WFH were access to work equipment and software, and internet connectivity.	National policies to encourage WFH will need to be accompanied by investment in broadband infrastructure to ensure equitable access to WFH.
Technical support (e.g. communication platforms, clear policies on working hours) correlate with improvements in WFH productivity.	Successful WFH arrangements will require investment from employers in support systems. These investments can pay off in improved productivity.
Material support appeared less critical to employee productivity during the MCO but may be due employees absorbing costs of work.	
Employees who failed to receive both technical and material support were twice as likely to report significant decrease in productivity	

The most frequently cited obstacles to WFH were access to work equipment and software, and internet connectivity.

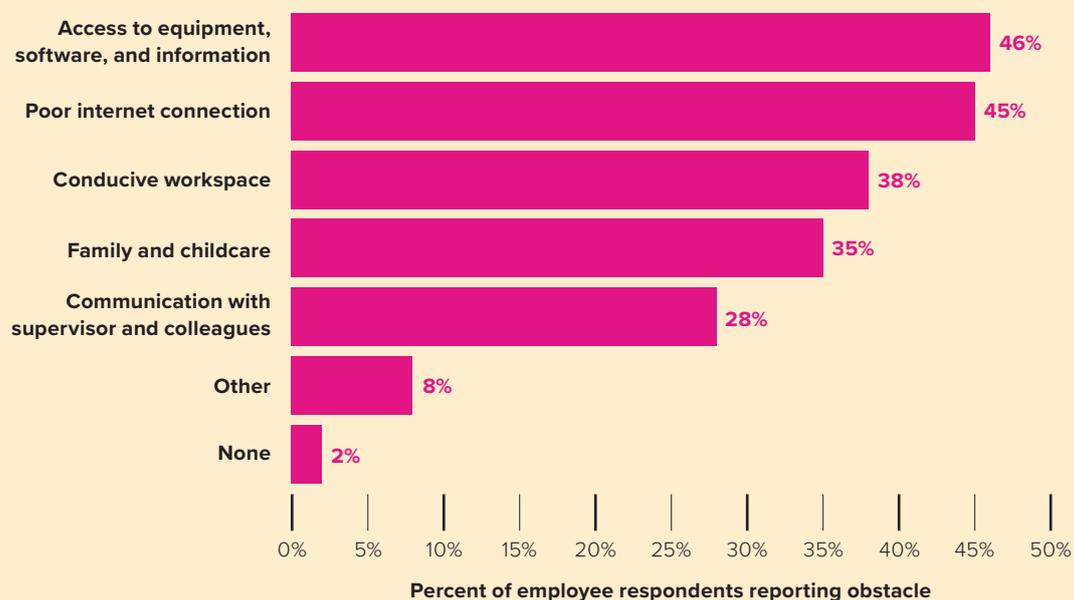
While the national broadband penetration rate is above 100%, it remains concentrated in urban centres. Actual household access to internet and use of internet falls somewhat short of full coverage.²⁶ Residential broadband services and equipment are also not optimized for the loads that are required for WFH, as evidenced by the high percentage of respondents reporting connectivity issues as an obstacle (majority of respondents were located in urban centres).

Moreover, employers may not be poised to provide support in the quality of internet connection to employees, as the majority of enterprise infrastructure is location-based—e.g. fixed broadband and location area networks.²⁷ National policies for connectivity will need to consider not just the scope of coverage but also the quality of coverage and support in residential areas—ensuring that no one is left behind—if WFH is to be encouraged in the new normal.

When results were filtered to only those who also had childcare responsibilities, family and childcare became the most frequently cited obstacle. As a subset, they contributed the vast majority of respondents citing Family and Childcare—25% of total respondents for this question.

Figure 27: Obstacles employees faced during WFH.

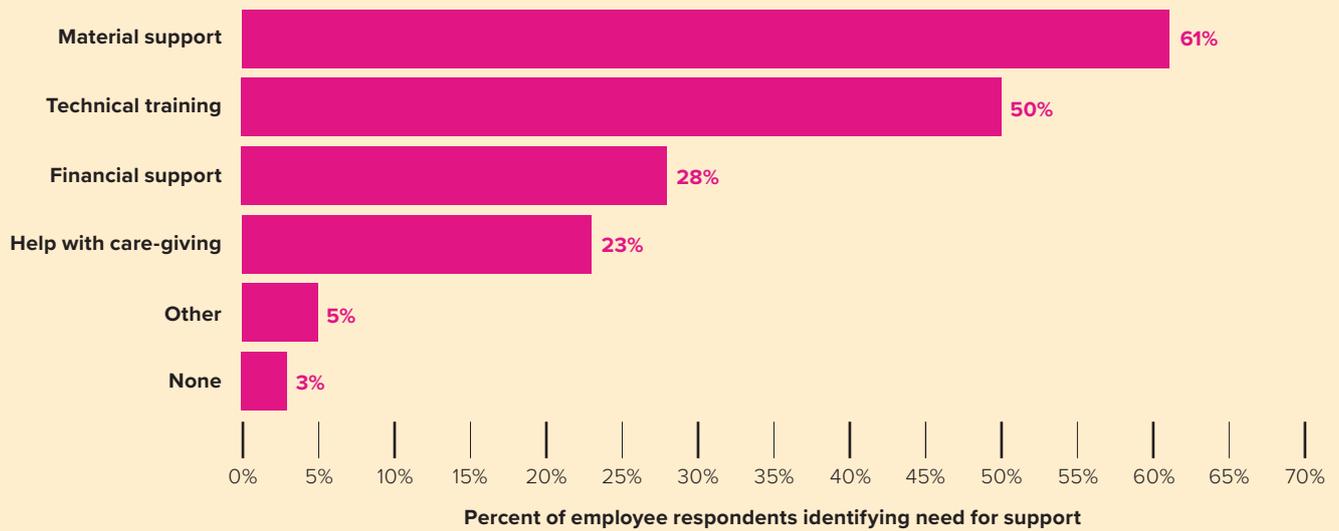
Access and poor internet connection were the most frequently cited obstacles to WFH



26. DOSM (2019b) 27. Siti Afiyiah Tumin (2020)

Figure 28: Support needs identified by employees during WFH.

Material and technical support were top needs for employees during WFH



In terms of support, **a majority of respondents expected material support from their employers, while one in two respondents needed technical training.**

Financial support requested (based on respondents' comments) tended to be allowances or claims for data plans and utilities, while material support ranged from provision of internet subscriptions or software to furniture, printer, computer, and office supplies. Material support and financial support, with the highest and third highest frequencies respectively, are both indicators that respondents recognised the effects of working costs incurred due to WFH.

One other factor to consider is the consumption of home resources for work which impacts other family members, e.g. a household with a single laptop which was fine prior to WFH, but which faced competing demands for schooling children to complete homework, and two parents who WFH. Competition for limited bandwidth is also a possible issue, as poor internet connectivity was the most frequently cited obstacle to WFH.

Respondent comments indicated, among other themes, support requests related to emotional and mental health—support in time management (i.e. scheduled breaks), and better trust between supervisors and employees when employees are working from home.

Figure 29: Support received by employees, by employer type.

MNCs were the most likely employer type to provide both technical and material support.

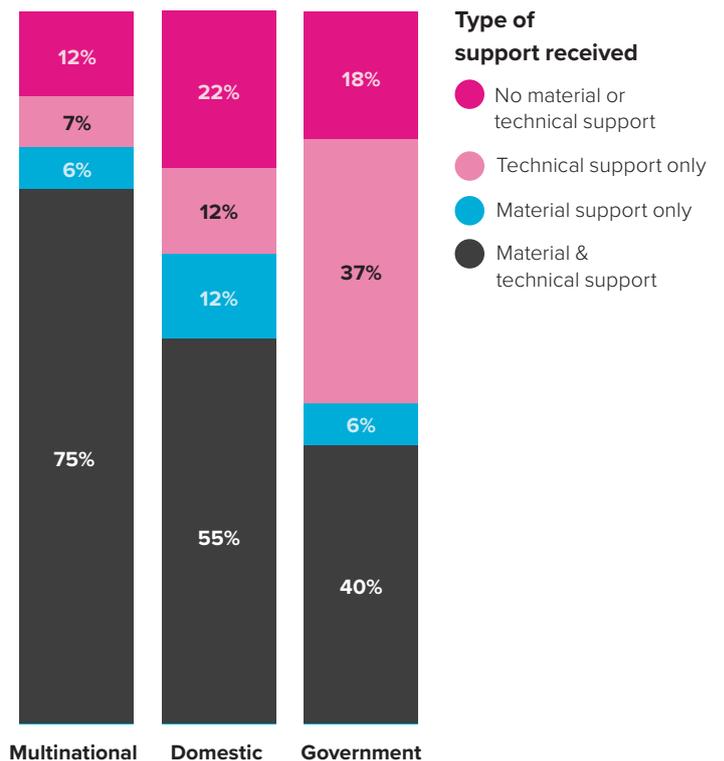
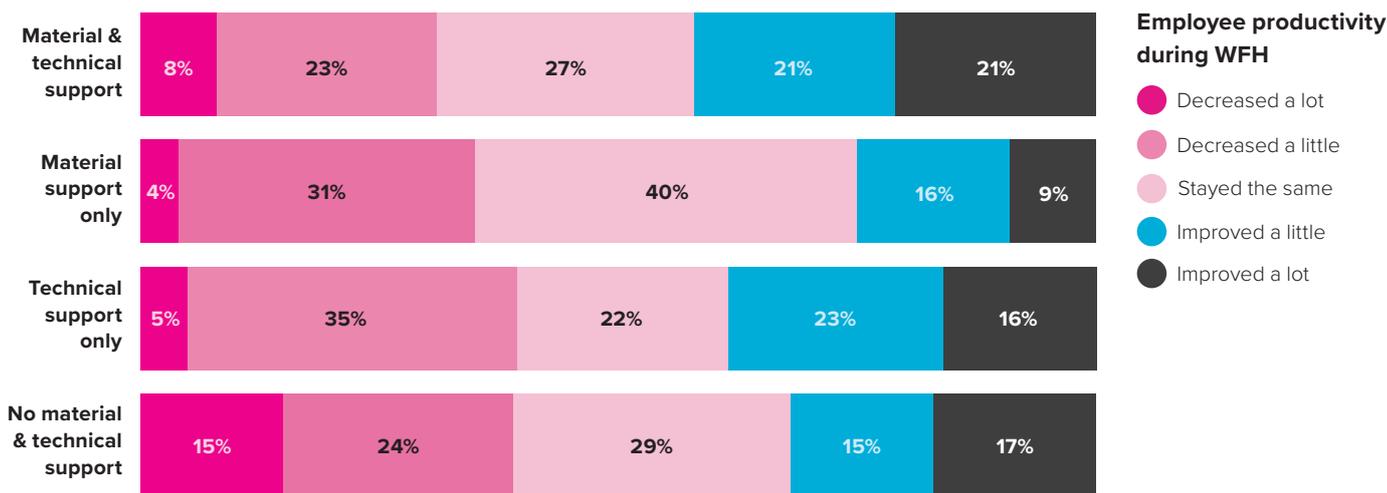


Figure 30: Productivity of employees during WFH, by support received.

For employees who fully worked from home, technical support correlates with productivity gains, whereas absence of both technical and material support correlated with substantial decrease in productivity.



More than half of the respondents reported receiving both material and technical support. Respondents were also more likely to receive technical support than material support. A small number of respondents interpreted receiving moral support (e.g. through check-ins and more informal guidance), and adequate information and files as a form of support (grouped under Technical Support).

Material Support: In this segment, 35% of respondents reported not receiving any material support. Teleconferencing and equipment were frequently cited, but **only one in ten respondents received support in terms of data plans.** Even though lack of material support (i.e. technical support only) did not appear to harm employee productivity, this might be due to cost shifting with employees bearing these material costs.

Technical Support: Guidelines on working hours and flexible arrangements were the most frequently cited type of support received. Government employees were most likely to receive this type of support but were least likely to receive material support. MNC employees were the most likely to receive both types of support. Overall, **employees who lacked technical support saw the lowest productivity gains.**

In the MCO impact survey by AON, 89% of respondents reported receiving updates from management on at least a weekly basis on subjects related to COVID-19, labour relationships, government announcement—which could be considered a form of technical support. In those findings, government and MNCs were more communicative, while SMEs were weaker at communicating information.²⁸

No Material or Technical Support: Employees who failed to receive both technical and material support were **two to three times more likely than other groups to report significant decrease in productivity.** Some comments from those who received no support included comments on lack of trust from employers while WFH or feeling overworked. Repeated sentiments among respondents who did not feel the benefits of WFH was concisely phrased by one respondent: “No clear line between resting hours and working hours.” Guidelines for working hours, non-working hours, and taking breaks during working hours are important for WFH as working digitally can be seamless, with back-to-back conference calls for hours on end.

4.

The Future of Working from Home

4.1 Employee Preferences

Key messages	Recommendations
MCO has shown the WFH is feasible in many offices and will likely increase the demand for WFH.	Employers should be ready to explore integrating WFH practices into regular work routines, taking advantage of the experience and lessons from the MCO.
The majority of employees value both flexibility and time in office, though to varying degrees.	

The majority of respondents have a better opinion of WFH following the MCO experience. All age groups were more likely to have better opinions of WFH after MCO, with older age groups reporting the greatest improvements. Even among respondents whose QOL was significantly reduced, 31% had a better opinion of WFH, signifying optimism about longer-term WFH arrangements.

Most employees would prefer to WFH on a regular basis, with 45% of respondents preferring to WFH 3 or more days a week.

Figure 31: Change in employee perception of WFH after the MCO experience.

Employees have improved their perceptions of WFH as a result of the MCO experience.

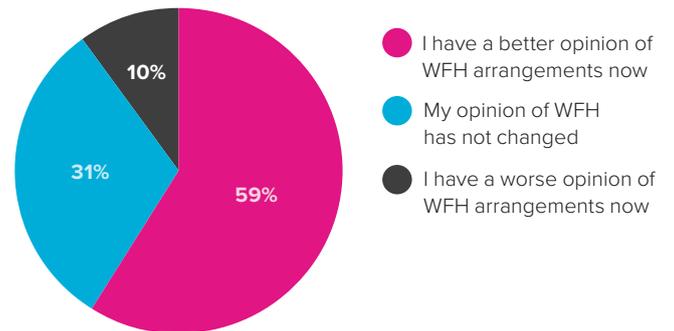


Figure 32: Employee ability to and preference for WFH frequency.

Most respondents can and would like to WFH regularly, with 45% preferring to do so 3 or more days a week.

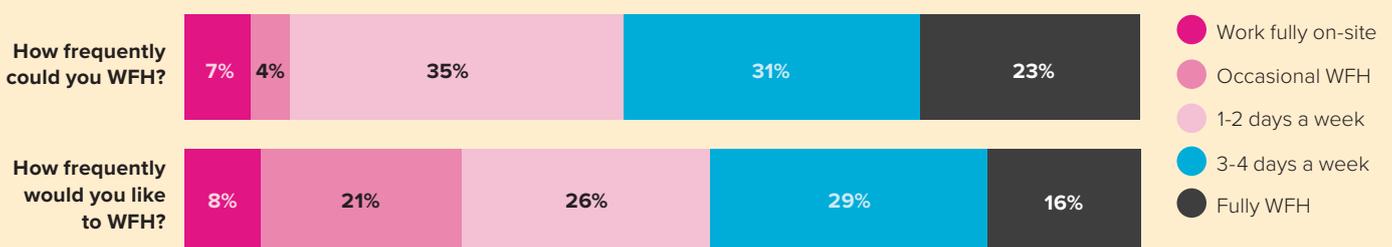
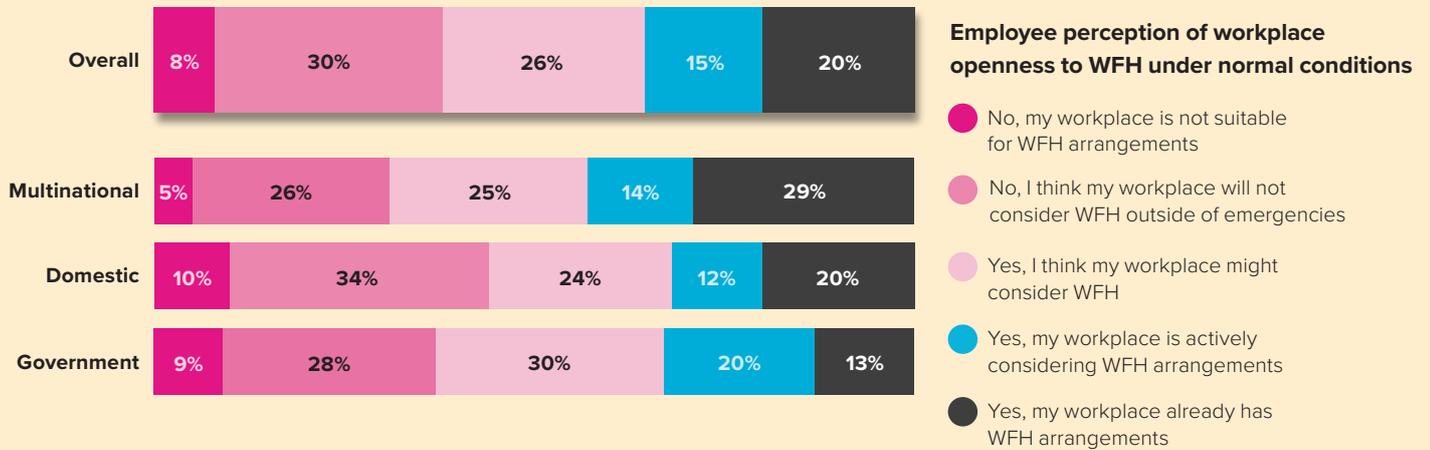


Figure 33: Employee perceptions of workplace openness to WFH under normal conditions, by employer type.

A majority of respondents think that their employers might adopt WFH or are already considering it.



Respondents were asked to assess how frequently their roles could allow WFH, while fulfilling all their responsibilities, and then were asked for their choice of WFH frequency. The proportion of respondents who could WFH frequently (once a week or more) is higher than the proportion of respondents who would like to WFH frequently. Conversely, the proportion of individuals who wanted the option to WFH occasionally is 5 times higher than those who could (21% vs 4%). While an overwhelming majority would like to have WFH options, slightly more people want to WFH for less than half of the work week, and those who wish to fully WFH form the minority (16%).

Additionally, 76% of respondents agreed that WFH options provide the flexibility for them to integrate work and personal responsibilities—fairly consistent with the proportion of respondents who expressed favouring options to WFH frequently. However, only 54% indicated that WFH would increase productivity and engagement levels—consistent with the symmetry in self-reported changes in productivity.²⁹

The overall picture shows that employees are considering both productivity and flexibility trade-offs between WFH and working in office and evaluate their ability to WFH accordingly. Employees favour the flexibility of WFH while still seeing the value of structured time on-site. Some of these trade-offs were observed in the discussions on productivity and quality of life, e.g. time and money saved in commuting, and flexibility to manage domestic arrangements, against increased domestic responsibilities and costs.

The MCO experience has demonstrated that WFH is feasible in many offices and will likely increase the demand for WFH.

In general, findings point to a strong case for a hybrid model of flexible work arrangements which allow for occasional to frequent WFH options, while keeping a specific amount of structured office time for maximising productivity and QOL

outcomes. The amount of in-built flexibility may depend on specific employee and operational needs. Employers should be ready to explore the possibility of increasing WFH options.

Overall, 15% of employees surveyed reported that their workplace is actively considering WFH arrangements, representing the growth of WFH practices as a result of the MCO. One in four respondents reported that their employers might consider WFH arrangements. A majority of employers also reported increasing or starting WFH policies (see Fig. 35). Hence, **the growth potential of WFH in the near future is high.**

Employees of domestic enterprises were less likely than those of MNCs to perceive their employers as open to adopting WFH practices. Women, too, were less likely than men to perceive employer openness to WFH, the implications of which are explored in Section 2.3 under Gender and Communication.

Respondent Perspective

“Good. If it is allowed to have choices for us to select work from home or go back to office.”

“Have options of frequency of working from home and ability to go into the office to fit the preference of employees”

²⁹ See 3.2 Employer Support And Employee Productivity, Fig.26



Box 5 Employee's positive perceptions of WFH as a future norm

Many employees are keen to continue working from home due to reduced travel time and traffic congestion, increased family time, and greater comfort towards the idea of working from home as individuals adapt to the arrangement.

■ ***“I wonder if after MCO, do we still need to go office or not, since everyone able to work from home ady... Can save travel time, less congestion, more family time.”***

(Employee)

Thus, employees largely preferred to remain at home, and one social media post expressed apprehensions towards returning to office include fear of contracting the virus and transmitting it to household.

■ ***“After working from home almost 2 months, I must admit I really love working from home. I worked from home nearly 2 years before. Urghh, I hate going back to the office, with germs everywhere. Why wfh culture never caught on in Malaysia? *le sigh deeply”***

(Employee)

However, one post about the continued WFH arrangement was concerned about worsening the office space glut issue in Malaysia.

■ ***“If work-from-home culture persists as the new norm well after Covid-19... would that worsen office space glut in Malaysia?”***

(Employee)

Negative outlooks towards WFH as a future norm express concerns about costs to employers, violation of boundaries, and the lack of colleague interaction—issues that can be overcome through good WFH practices.

■ ***“Cannot wfh all the time. you don't get to move much, also electricity bill also very high lo if turn on the aircon.”***

■ ***“Back office plsssss! I gonna crazy work from home here which work longer hour than usual !!!!”***

■ ***“I prefer to work in an office. I need social interaction as opposed to working in isolation.”***

4.2 Ensuring Inclusiveness

Key messages	Recommendations
Employers are open to WFH in principle. However, many employers still do not have plans to provide WFH options for caregivers and PWDs.	Government policies on WFH accommodations may be needed to ensure inclusion of PWDs and caregivers.
This suggests that employers are either viewing WFH as a perk to secure top talent or have not thought through what WFH means for employees at large.	

Based on employee and employer survey findings, there is a definite increase in companies starting WFH policies due to the MCO. Two-thirds of the employers surveyed report intentions to start (39%) or increase (27%) WFH policy. However, of those intending to start WFH policy, only 38% responded positively to adopting WFH options for caregivers, and 30% responded the same for persons with disabilities (PWDs).

Despite the shift in perception of WFH as being mutually beneficial to employees and employers, the same level of employer enthusiasm is not reflected in targeted WFH options for accommodating persons with disabilities and caregivers. This suggests that employers are either viewing WFH as an added benefit to secure top talent or have not thought through the implications of WFH for employees at large. Moving forward, WFH options could encourage greater labour force participation among women and persons with disabilities. **Employers can do more to develop WFH policies as a form of positive inclusion for caregivers and persons with disabilities.**

Box 6 Making WFH work for all

Creating an inclusive environment requires that institutions make arrangements to accommodate for various worker's needs. In that regard, one employee expressed preference for a flexible or hybrid approach towards returning to office only several days in a week.

■ ***“Ideal would be like 2-3 days of WFH and the rest, work in office.”***

(Employee)

In addition, managers granting flexibility to allow subordinates to adjust their working hours had helped mothers to better cope with the new working arrangements.

Figure 34: Employer plans to adopt or increase WFH practices post-MCO.

Private sector employers indicate that they are adopting and increasing WFH policies.

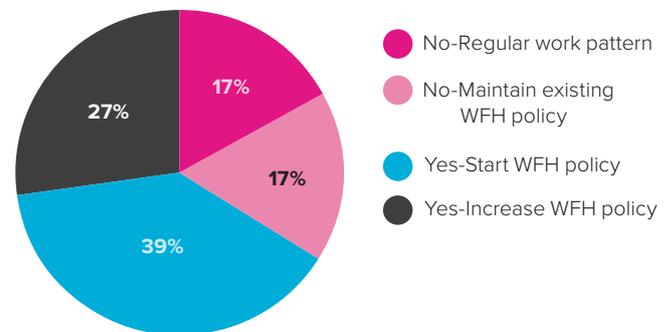
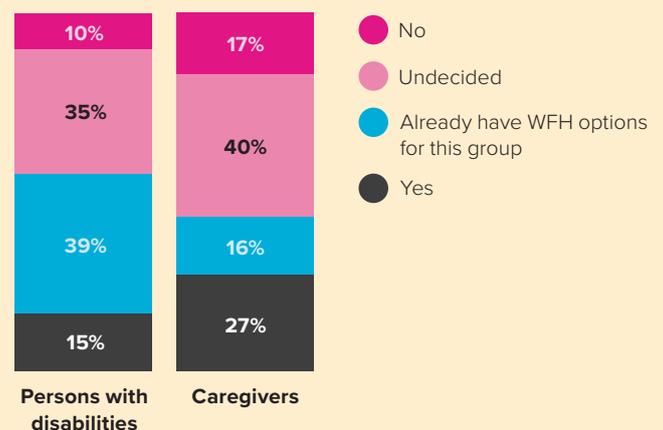


Figure 35: Employer plans to adopt or increase WFH practices for PWDs and caregivers post-MCO.

While employers seem open to WFH in general, there is less enthusiasm about WFH policies for caregivers and persons with disabilities.



5.

Methods and Demographics

5.1 Survey Methodology

Employee survey questions were disseminated through social media channels including WhatsApp, Facebook, and Twitter, from 5 May to 19 May, while employer survey questions were distributed through targeted channels e.g. trade associations and business chambers, LinkedIn, and direct email, from 5 May to 25 May. The following should be noted in interpreting the survey data:

- Where the survey responses have been filtered to a specific subset of respondents, this is mentioned in the analysis. References to results for the private sector or businesses would exclude government employee/employer respondents.
- Out of 901 respondents to the Employee survey question on changes to various types of weekly expenses, 342 responded on changes in childcare expenses, and 559 responded “not relevant”. This response set was used to filter the subset of respondents who have childcare responsibilities at home.
- Respondents who did not reveal their gender (1%) are not taken into account in the gender-based analyses.
- Industries were grouped as follows, for both Employees and Employers
 - Other services: includes administration & support services, human health and social activities, real estate activities, and any other service activities
 - Professional activities: financial and insurance/takaful activities, professional, scientific, and technical activities
 - Consumer-related services: accommodation, food and beverage service activities, Activities of households as domestic employers, arts, entertainment and recreation, wholesale and retail trade
 - Primary & Secondary Industry: agriculture, forestry and fishing, mining and quarrying, manufacturing
 - Construction & Utilities: construction; electricity, gas, steam and air conditioning supply; water supply, sewage, waste management and remediation
 - All other sectors had no subgroups

5.2 Employee Demographics

There were 1,021 respondents to the employee survey, of which 38 respondents did not WFH and were excluded from the survey analysis. An important caveat is that the survey does not provide conclusions concerning the segment of the population who could not WFH. As the survey was targeted at persons who WFH, the survey responses are mostly representative of professional, administrative and manufacturing services types of work.

In terms of age, respondents between ages 25 to 44 make up two thirds of the total. Over half of the respondents reported incomes between RM3,000 and RM7,000, and 23% reported incomes under RM3,000. Associates (31%) and Managers (28%) formed the largest categories in levels of seniority, consistent with the distribution of age and salary levels observed. Slightly over two thirds of the respondents were female. The MCO was the first WFH experience for 79% of the respondents.

In terms of employment type, the self-employed and gig workers were under-represented, comprising only 8% of respondents. Nevertheless, certain key findings are compared with recent MCO studies on this demographic as they are especially vulnerable to economic shocks.

Figure 36: Employee respondent demographics—Industry.

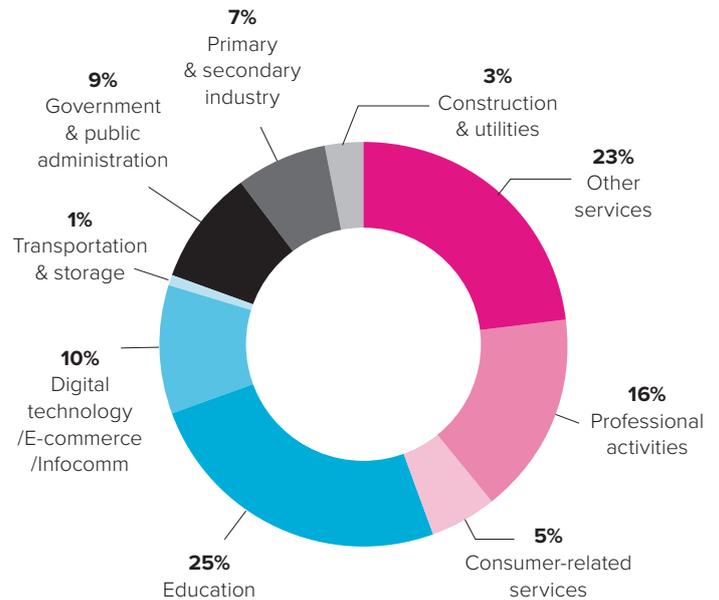


Figure 37: Employee respondent demographics—Age.

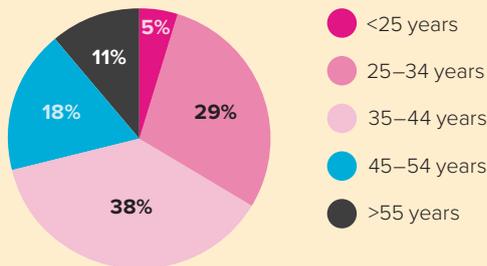


Figure 40: Employee respondent demographics—Employer type.

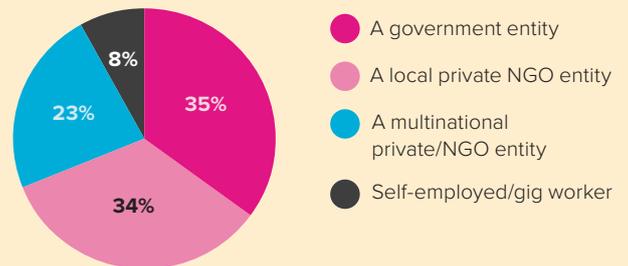


Figure 38: Employee respondent demographics—Gender.

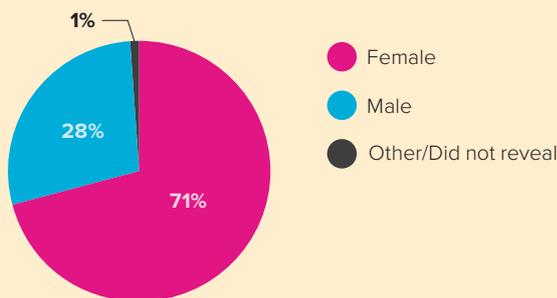


Figure 41: Employee respondent demographics—Prior WFH experience.

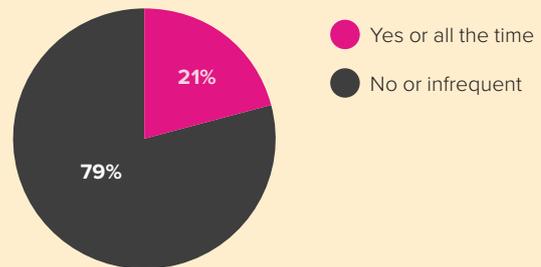


Figure 39: Employee respondent demographics—Monthly salary.

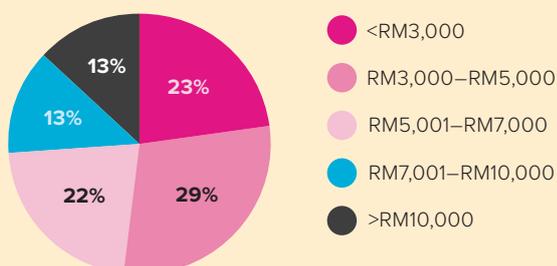
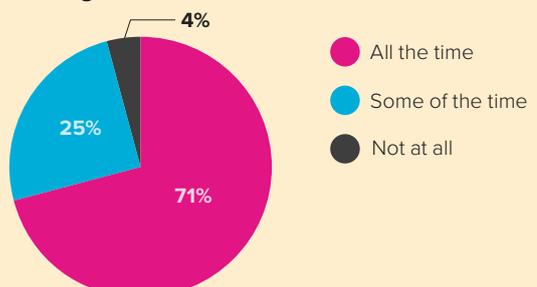


Figure 42: Employee respondent demographics—WFH during MCO.



5.3 Employer Demographics

There were 231 responses to the employer survey. Over two thirds of respondents were domestic entities, while 29% were MNCs, in contrast to the employee survey where 35% of survey respondents were from the government sector, 34% from domestic entities, 23% from MNCs, and 8% were gig workers or self-employed. Skilled workers made up over 50% of the workforce for a majority of employer respondents.

Figure 43: Employer respondent demographics—Industry.

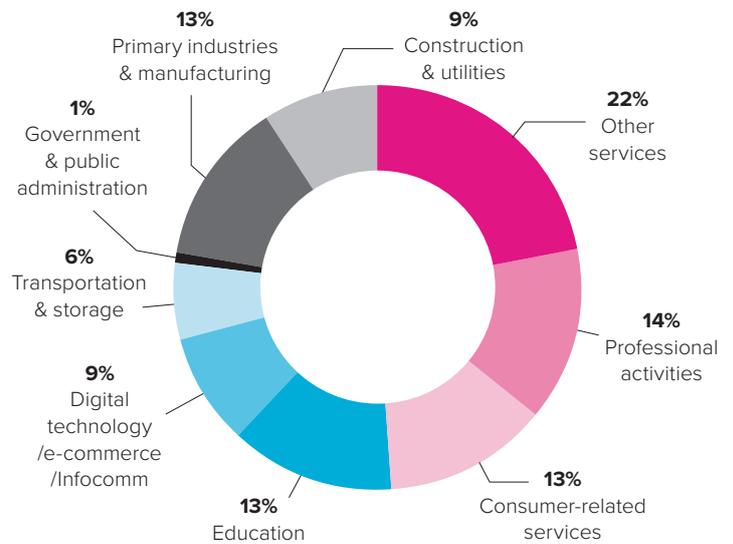


Figure 44: Employer respondent demographics —Employer type.

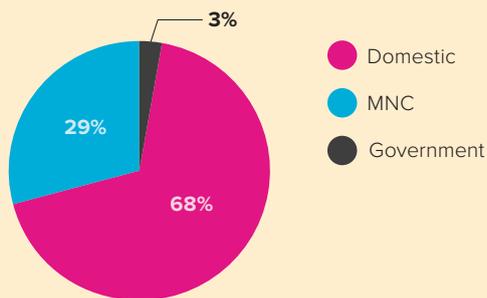


Figure 47: Employer respondent demographics —Percentage of skilled workers in the organization.

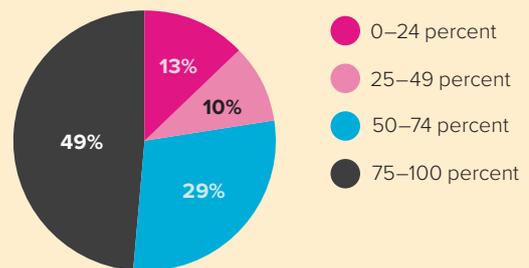


Figure 45: Employer respondent demographics —Number of employees.

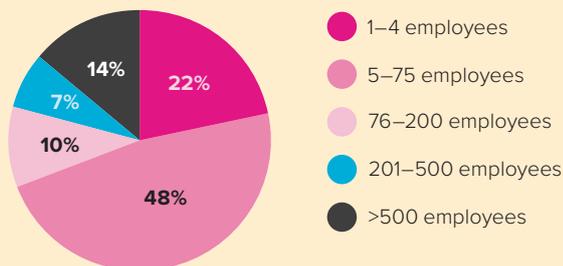


Figure 48: Employer respondent demographics —WFH policy prior to MCO.

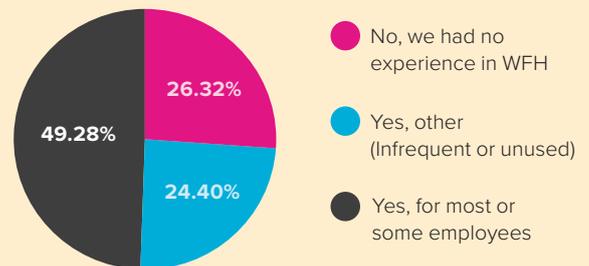


Figure 46: Employer respondent demographics —Annual revenue.

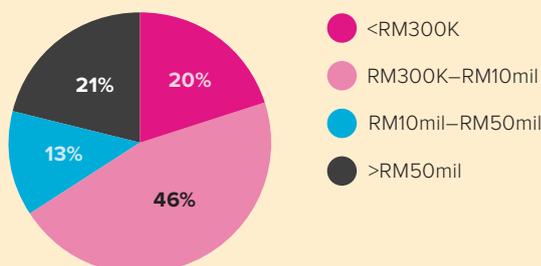
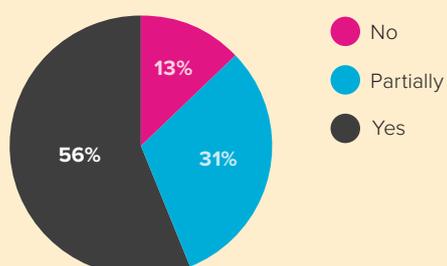


Figure 49: Employer respondent demographics —WFH policy during MCO.



5.4 Media and Social Media Scanning

Media sources and social media postings were scanned before and during the survey to capture WFH sentiments among the Malaysian population, with 197 observations made. Prominent themes included work-life balance, work and family/caregiving, productivity, employer support and monitoring, mental and physical health, and WFH as a future norm. Selected social media posts were used to illustrate employee and employer perspectives and experiences within these themes.

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