

# The Entrepreneurial Preference For Conventional Work Settings Over Hybrid Work; Post-Covid-19 Contextual Evidence

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**Abstract** - *Although the Covid-19 pandemic introduced many employers and business operators to the option of and benefits of working remotely, a majority of the business enterprises and their operators have returned to their offices after the Covid-19 Pandemic. This report provides an analytical review of the alliteration and the evidence available on the labor practices for the pandemic and post-pandemic era. It focuses and provides some of the vital cost-benefit and other contributory reasons behind the decisions of most business enterprises not opting for a higher proportion of their workers working off-site or at least increasing their use of coworking spaces.*

**Keywords** — **Business enterprises, cost-benefit, Covid-19 pandemic, disaster recovery labor practices, on-site work, remote work,**

## I. INTRODUCTION

The World Health Organization declared on March 11, 2020, Covid-19 a pandemic. Following this, most economies placed a ban on international flights, tourism sites, offices, businesses, limited hospital contacts or visits and in some cases closed hospitals and workplaces (Yemoh and Taotofi 2021). Where the nature of the work allowed, many of the labor force were placed on remote work or off-site work and in most cases, the working from home option was the only legal option available. With the exception of a few essential workers, the pandemic impact on Conventional workplace settings or working-on-site was that of a total closure. This allowed the economies to minimize the spread of the coronavirus which would have been transmitted through public contacts and overcrowding. It has been suggested that the pandemic has led to the largest loss of human capital in living memory with significant labor market implications for the future (Ajwad and Bilo 2022). However, the cost-benefits ratio analysis of the off-site work and the evidence from the Covid-19 pandemic labor practices, appears to favor the return to work option.

Much of the research that has gone into remote work and its benefits to the workforce and businesses appear to suggest that the best workplaces after testing the remote work would

have stayed with that option after the Covid-19 Pandemic. The results collated from a recent academic study using data from 1500 respective decision makers in their organizations suggested that the perceived benefits of working remotely would lead to an increase in remote hiring in the future (Ozimek 2020). On the contrary, the statistics in most economies show that most enterprises and workers have returned back to their offices. The Covid-19 is a recent pandemic with a catastrophic impact on global economies, and thus a considerable number of the research done thus far has been concentrated on the medical field, the uncharted nature of the Pandemic (Fauci, Lane and Redfield 2020), the search for vaccines (Le et al, 2020), the vaccines and its effectiveness (Andreadakis et al 2020), and the engagement of anti-vaxxers (Boodoosingh, Olayemi, and Sam 2020). Other have also focused on the impact of Covid-19 on education (Daniel 2020), the spread of the virus (Abed and Lashin 2021), the number of Covid-19 related death (Ioannidis 2021, and Koh, Geller, and VanderWeele 2021), the various vaccine doses (Lacy, Pavord and Brown 2022), the role of artificial intelligence in the management of the pandemic (Ciotti et al 2020), limiting the spread of the virus (Boursin, Ben-Miled and Salhi 2022), the impact of the COVID-19 epidemic on our lifestyle (Bentlage et al 2020), and preparation for a possible second wave (Chakraborty et al 2021). Also, the new technology and workplace changes cause by Covid-19 (Hodder 2020), the work from home Covid-19 implications (Bick, Blandin and Mertens 2020), the remote-work opportunities and Challenges (Popovici and Popovici 2020), Covid-19 impact on conventional work settings (Diab-Bahman and Al-Enzi 2020), and working from home sentiments (Dubey and Tripathi 2020).

Understandably so, for most economies, the health of the citizens would have taken priority over their ability to work or any other capabilities that depend on their health. As such, limited research has been done in this area of focus. In the Post Covid-19 pandemic era, most enterprises appear to be averse to working from home. This is a review of the post Covid-19 pandemic labor practices and focuses on the choices businesses made regarding staying with the conventional work practices or working off-site.

## II. DISASTER RECOVERY PLANS AND CONVENTIONAL WORK PRACTICES IN THE COVID-19 CONTEXT

Prior to the Covid-19 pandemic, the conventional work practices centered around theories that were limited to disasters that excluded a pandemic. The conventional work environment is typically a highly-structured and organized workplace, with regular hours, a defined location, that may also include systematic activities, routine, stability, tradition, rules and procedures (Herrity 2020). The nature of the work and its constraints allows for a structured estimation and prediction to be made of the potential risks. With this, recovery plans based on the risk management assessments conducted can be developed as a measure to limit the potential physical damage or human catastrophe that could result from such an event. In its updated form, the emergency or disaster recovery plan is an organizational attempt at regaining access and functionality after events like a natural disaster, cyber attack, or even business disruptions related to the COVID-19 pandemic have occurred. The efficacy of the proper planning and training is seen in how soon business operations return to normal following a disaster. The extent of the recovery includes both the centralized system recovery or the traditional mainframe environment, and the recovery of distributed systems and networks.

Business continuity and disaster recovery plans were tested by the terrorist attacks in the United States of America on September 11, 2001 but the records still suggest that many firms do not yet have a meaningful plan in place (Snedaker 2013). In addition to this, a vast variety of disaster recovery plans would not have included scenarios like the Pandemic as that has not been a common occurrence. The scope and coverage of the disaster recovery plan in most cases is confined to organizations and restrained by the estimated exposures only as postulated by the organization. In some cases, communities, towns and villages may also have a similar disaster recovery plan although the content and scope may also not extend to capture a pandemic. A pre-disaster recovery plan that considers how affected zones should be redeveloped has been suggested as an attempt to formulate intervention plans that would help limit the expected impacts of such disasters. However, the concept of community disaster recovery and emergency plans have been reported to receive limited public support and its operations are also affected by the funding it receives (Berke et al 2014). Having a disaster plan alone may not be sufficient without the appropriate funding and public support to effectively implement it. Implementing the plan comes at a cost that must be

provided for. The support of the public by way of providing the funding, resources and adhering to the guidelines set for a successful recovery plan implementation is also needed. Where the community does not follow, for example the evacuation plan will mean the plan becomes ineffective and any intent at recovery could be impeded. Thus, a limited public support, a limited resource backing and other relevant constraints has an impact on the recovery plans. This shows the extent to which many of the disaster recovery plans go. Organizational and community based recovery plans are limited in scope and may be ineffective when it comes to pandemics as various communities would not have postulated such a pandemic or the extent of its reach.

The Covid-19 pandemic tested the working traditions, the policies, the disaster recovery and management plans of enterprises. Values such as respect and fairness, trust and integrity, the growth mindset, teamwork, employee engagement, opportunities for advancement, staff communication and transparency, their diversity and results were all tested during the Covid-19 pandemic. These values are better measured when workers are in proximity to each other. Values like teamwork are easily developed when the team is physically together. The further the team members are away from each other the more difficult these become with regards to developing or building them. Although it can be attempted remotely, the ease and possibility of achieving these values remotely is harder compared to when all the workers are close together. The pandemic also tested the off-site work readiness, the resource capabilities of the enterprises, their legal cover, indemnity insurance cover for their businesses, and their business process segmentation plans of businesses.

Disaster recovery planning or business continuity planning addresses the maintenance and resumption of business operations, prioritized by the criticality of the processes, technology, people and infrastructure (Toigo 2002). Such plans are normally prepared during and for estimated conditions where the enterprise in question or a few within a specific area are the only ones that are affected by a disaster. Rarely will such plans include a global phenomenon. The core difference in the pandemic was that most successful disaster recovery plans have been focused on scenarios where the apparent disaster occurred to a single enterprise in the absence of a national restriction of workers, or restriction in the number of workers who can be allowed on a work premises, or the scenario where the only place that work can be conducted legally is the home of the workers. Not being able to access the registered place of work or the

alternative disaster recovery sites presented a new era of restraint. For example, In the thick of the Covid-19 Pandemic, schools for more than 168 million children globally were closed for almost a full year (UNICEF 2021). The workers in the school institutions and other workers who depended on the operations of the schools were also affected. An increased use of non-conventional work plans such as remote working, and partial office work were then introduced and encouraged. Many employers and business operators suggested that this practice would become the new normal. Yet the evidence now shows that a majority of employers and business operators have largely returned to their offices amidst the various benefits of working remotely.

### III. CONVENTIONAL AND HY-BRID WORK CONSIDERATIONS IN THE CONTEXT OF COVID-19

Various forms of work settings have been tried and tested prior to the Covid-19 Pandemic period. Whatever work practises that businesses have proven to be the best way to engage their workers and other factors of production would have been what they would have set up before the pandemic. The set up of offices and places of work would either follow the conventional set up or the modernized non-conventional set up. However, the international advancement in technology and innovation, interconnectivity of things and computer-mediated communication technologies have contributed to the increase in non-conventional work options like remote work, telework, home working, coworking or work from home which have been increasingly adopted by various international organizations. These have been driven by the assumption that they provide a win-win situation for the workers and their employers.

The pandemic forced organizations to reconsider the work plans as their standard conventional work settings were unsuitable for the restrictions set during the lockdowns. Organizations had to now consider some of the improvements that technological progress had brought. Although advancement of technology picked up in the early 1970's, the possibility and mass scale working from home, coworking and off-site has not really been something that employers have been keen on. However, during the Covid-19 Pandemic and especially during the lockdowns and limited movement restriction, many were forced to use non-conventional work plans during.

The conventional way businesses operate before the Covid-19 pandemic and have conducted businesses has been in operation for centuries may have significant benefits and ramifications to the employer and workers. In addition to the conventional workplace set up, many businesses that have developed a disaster recovery plan or are conscious of the possibility of either a natural or manmade accident making their workplaces unsafe or impossible to conduct business and

work from, may have alternative sites for their workers to work from. They would have also secured the necessary legal insurance and indemnity cover for such work to be undertaken during the perceived disaster. For many of them, the pandemic was the first and main test of that option of working off-site and thus many were unprepared. Even in cases where a disaster recovery plan may have been prepared or tested, it would have been limited in its capacity to extend to cover the period that the pandemic took. Other limitations include the scope of the workforce that was affected in a disaster event. Most recovery plans would also normally not encompass such a large number of workers working at the same time for an indefinite number of hours and not from the identified and prepared disaster recovery location.

In setting up a traditional office, entrepreneurs have to invest into the rent, lease, utilities, in addition to other administrative overheads like salaries which may make traditional office spaces really expensive for business leaders. On the other hand, the option of working from home or using coworking spaces potentially provides an easy office set up. This is because with a shared office space, different workers can share one office. The uniqueness of the pandemic was the restricted movement of workers in various economies and communities. Even though the disaster recovery plan may be in force and there may be a location to effectively go from, the restriction of movements means that the workers had to stay at home and could not get to their official work locations. The coworking option does have its limitations especially where office set up of heavy equipment and machines have to be used. Working from home may also have its drawbacks which may include the loss of a certain reach of staff engagement and management amongst many other issues. It is suggested that coworking spaces are preferred by entrepreneurs due to the benefits of being budget friendly, the potential that sensitive information or work could be exposed to other professionals, the potential for more socialization and networking which could be valuable input in the career of many entrepreneurs (Dubey and Tripathi. 2020). On the other hand, it could also increase the number of distractions or control over facilities that the workers may have access to.

The benefits of working conventionally does provide opportunity costs and economic costs of remote working, working from home or the use of coworking spaces. Such include the fact that, all the overheads that are borne by the employer under the conventional workspace arrangement will now have some of them being passed unto the employee under the non-conventional workplace arrangements. The only exception will occur where the tax structure in the economy allows for a portion or the whole cost to be claimed back either from the company or from the tax filing process. The extent of the claim is also limited by the percentage that is allowed and the existence of such tax vehicles and the technical knowledge of the workers.

Conventional workplace plans introduce opportunity costs when investments have been made into the business such as

office spaces, equipment, and security cost for the premises, which appear as an apparent waste of resources should the organization opt for a less conventional work plan. The cases may be entirely different where the organizations are start-ups that have not yet invested into such costs and thus may not have to consider such factors in their decision making efforts. There may also be legal implications of having a registered office whilst working from various workstations and locations. Other complications of the need in some economies for varying indemnity insurance that covers the various multiple locations that work will be conducted from by the workers. Subsequently, the exposure to certain risks, legal and costs that could be claimed and awarded to the workers should such exposures be realized during the course of conducting work on behalf of the organizations

There are material differences in the working environment created under the conventional workspace that is absent under a non-conventional workplace. The enterprising work environment is generally a work environment of competition, achievement, power, money and may generally have its focus on achieving organizational and financial goals (Herrity 2020). Having workers working at various individual locations will end up losing such vital qualities for the success of the organization since it is the collective gathering of the workers that creates the required environment. Also, there is no guarantee that the remote gathering of the workers will end up creating the same result.

With conventional workplace arrangements, huge investments are required, there may be permit issues in addition to potential Wastage of resources. At the very beginning of the business, a significant investment may be needed in addition to regular investments for maintenance. Additional permits and registration from the relevant authorities may also be required in addition to taking steps to ensure an efficient use of the space, accessories, and facilities. Legal ramifications of having a registered office whilst not working at the office is averted when the conventional work set up is used. Having a legal office with associated indemnity cover and insurance are easier to administer with reference to one location as compared to administering an insurance cover of a lot of workers who are all working at different locations. How to prove claim cases and defend against them becomes a lot more difficult. The associated costs from administering the cover is eliminated entirely when the business operations adhere to the memorandum of association and operation guideline set for the business.

There are also various benefits of working in the registered office and official site registered for the organization which extends to the employer and employees. In a conventional space, there is the right to change the facilities according to preferences whilst the culture also allows the workers other perks like the ability and unrestrained freedom to party, work or celebrate a success which may not always be available under the non-conventional working arrangements. Outside the conventional work set up, the overheads that would have

been borne by the employer is largely passed onto the employee such as utilities, overheads, security, and other costs that the organizations bear. These are not going to be passed onto the workers as they are considered as costs for the goods and services provided by the organizations. However, in cases where workers have to provide the same level and quantity of labor from their own home, some of these may then be borne by the worker instead of the organization. Working from the conventional workplace setting appears to be the best setting for effective worker engagement, monitoring, supervision, training, and reviews. Much of the costs that will be generated by the workers using telecoms and technology to communicate throughout the working day in addition to the supervisors and managers managing through the use of these resources are eliminated by the constraints of having all the workers in physical proximity to each other. In most cases too, the cost of resource repair, maintenance, or replacements are reduced due to them being physically located in one place. Moving some of the technology and working machines does expose them to a higher tendency of them being destroyed in the process or reducing their useful life which also adds to their cost.

The conventional workplace also provides the best and efficient use of paid materials and resources. In the cases where a lot of organizational resources have been invested into purchasing property, fixtures and fittings and other workplace specific investments, the rational and most efficient use of these resources would be for the workers to be congregating in one place to conduct their work. Especially where other investments have been made into the place of work, they would have been customized and suited for the type of work required. This will not be the case in the coworking spaces or the homes of the workers that would normally have been built and set up primarily for either purposes instead of the work that the organization exists for. Having workers working away from their conventional places of work also means the great investments made by the organization lie waste or have to be used for other purposes that it was not constructed for and or suitable for.

Collaborating and communicating during off-site or non-conventional work is one of the known challenging factors of remote working. The difficulty in separating work and home life, the potential for social isolation and greater organizational requirements are some of the other difficult parts of being a remote worker (Flores 2019). These could have a psychological and mental health impact on the workers which will affect the profitability of the organizations as well. This is very significant also as one of the many desires of most young remote workers include flexibility with the working hours and saving time on commuting to work (Klopoteck 2017). As working unconventionally introduces the difficulty in separating work and personal life, a significant number of the workforce will face the struggle of realizing their desires.

#### IV. CONCLUSIONS

The pandemic tested the working traditions, the disaster recovery and management plans and policies of enterprises, the off-site work readiness, the resources capabilities of the enterprises, their legal cover and indemnity insurance cover for their businesses, and the business process segmentation plans. During this time, the movement of the workers was limited which also impacted their ability to carry out work that was traditionally done at one location. As such whole nations were forced to invent various modern and technologically enabled opportunities to carry on working. Although such inventions were only limited to work that can only be done online and much other work can not be done via this route. At least some work is able to be done to add to the productivity of the nation. Some employers have provided the resources for the workers to be able to work remotely while some continue to work additional unpaid hours.

During and immediately after the pandemic many employers provided the assumption that they will continue working remotely yet many have returned back to the office. However, most enterprises prefer returning back to their offices instead of working from home; evidence from the Covid-19 pandemic labor practices. Considering that every profit oriented organization will be looking into maximizing their profit and reducing their costs, all rational organizational agents will choose any of their alternative options that brings out the best in their workers at the optimum cost. If the conventional workplace environment was chosen, it is reasonable to assert that, out of the alternatives that the organizations had, returning to the office was the most productive option. Although there exist a hybrid and various non-conventional work settings, entrepreneurs still have to factor in the costs, quality of facilities and efficiency before choosing a workspace type.

The findings in this research has provided some of the main reasons behind the decisions by most enterprises to return to their offices post the Covid-19 pandemic. This does open up other areas of interest that fellow researchers can be conducted such as, interviewing many decision makers who had enterprises running before and after the pandemic for motivations behind their decisions, what proportion have opted for the hybrid or non-conventional work settings, the impact of their hybrids on the performance of their teams and the profitability of the organizations.

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