

'Work from anywhere' is here to stay. How will it change our workplaces?

By [Andrea Chang](#) Nov. 12, 2020 5 AM

Before the pandemic, software engineer Allen Dantes commuted every day from his apartment in Mar Vista to the Playa Vista headquarters of ChowNow, about four miles away.

The online food ordering platform sent employees home in March until further notice, leaving Dantes, 27, to work from the small two-bedroom apartment he shared with his girlfriend. A few weeks ago, they bought and moved into a 1,500-square-foot three-bedroom, two-bathroom Craftsman they bought for \$415,000.

Dantes' new commute: 390 miles or zero, depending on how you look at it.

The house is in Sacramento. Both have kept their jobs, even though neither of their companies has offices there.

Working from home was intended to be a temporary measure for millions of workers in the early days of COVID-19. With no clear end in sight eight months later, employers are offering a perk that would have been unthinkable at the start of the year: Live and work from wherever you want — permanently.

It is a monumental shift for corporate America, one that's forcing companies to rethink the ways they conduct business, manage employees and shape their corporate cultures. And it has major implications for workers, who are now free to untether themselves from city centers and move to places better suited for their budgets and personal situations. But there is often a catch.

Many employers are reducing pay when workers decide to move to less-

expensive cities, a controversial measure that has sparked discussion about what it means to be fairly compensated. In some cases, employees have seen their salaries cut by more than 10%.

Tech companies are leading the way, reversing years of heavy investment in lavish Silicon Valley campuses designed to lure workers and keep them there well beyond the usual 9-to-5 workday. Facebook, Twitter, VMware, Stripe and ChowNow are among those that have rolled out permanent work-from-anywhere policies and salary adjustments, and are preparing for a wave of employees to distance themselves from headquarters and other main offices. In May, Mark Zuckerberg [predicted](#) up to half of Facebook's employees would work from home within five to 10 years.

"Opening offices will be our decision," Jennifer Christie, Twitter's chief human resources officer, said in a May [memo](#), "when and if our employees come back will be theirs."

"We've told everyone: If you're not comfortable, no problem, stay put," said Rich Lang, senior vice president of human resources at VMware.

Tech companies have often been at the forefront of trailblazing workplace trends, helping popularize open-plan [office layouts](#), standing desks and casual dress codes. But its leading companies for years resisted allowing people to work remotely, insisting that being physically in the office was key to creative collaboration.

In 2013, then-Chief Executive Marissa Mayer famously [banned](#) telecommuting at Yahoo. That same year, Patrick Pichette, who was Google's chief financial officer, said the company wanted "as few as possible" to work from home: "There is something magical about spending the time together."

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Facebook, founded in 2004, resisted opening an office in nearby San Francisco [until 2017](#), preferring to make all of its Bay Area employees commute to its campus in Menlo Park.

But when COVID-19 hit the U.S., tech companies were among the first large employers to send their workforces home. Many found the transition surprisingly smooth.

Employers say forced work-from-home helped them see that their workers could be just as productive, or even more so, outside a traditional office setting, aided by better communication tools and other technologies that have made it easier to get work done from wherever.

The benefits for workers are clear: less time stuck in traffic, more time at home, greater freedom to set and manage one's own schedule, and the possibility of relocating to a more affordable city or to be closer to extended family.

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For employers, that means happier workforces, higher retention rates and reduced real estate and office expenses. But they say the greatest upside is the ability to attract new employees who live in places they would not have hired from in the past, giving them a competitive edge over rivals who insist on in-office workers.

"All of a sudden, the entire U.S. is open to us hiring people," Lang said. "It opens up a whole X factor."

Before the COVID-19 pandemic, VMware's U.S. recruiting efforts centered around its half a dozen large offices in regions such as the Bay Area; Bellevue, Wash.; and Colorado Springs, Colo. Now, the software company said it will consider applicants regardless of location.

To make things fair, existing employees can move wherever they want, an

offer that the company anticipates many will take: In a survey sent to VMware's 32,000 employees, half of respondents said they would like to continue working from home long term; only 10% said they wanted to be in the office the majority of the time.

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But that new freedom can come at a price. VMware is adjusting pay based on factors including the cost of labor and income tax rates in an employee's new location. Workers have access to an internal tool they can use to compare how their salaries would change.

So far, two-thirds of VMware employees who permanently relocated since the flexible-work initiative was rolled out in September saw their pay decrease, some by as much as 18%; the rest saw their pay increase, a spokeswoman said.



"You're a beta or not valued if you take a pay cut and bow to HR or dumb corporate rules," says Adam Singer, chief marketing officer at enterprise tech firm Think3.

(Adam Singer)

Companies including Reddit and Veeva Systems say they are not adjusting salaries. Reddit went a step further, saying in a [blog post](#) it is "eliminating geographic compensation zones in the U.S.," putting all employees on the same footing regardless of where they live and work. "It means that our U.S. compensation will be tied to pay ranges of high-cost areas such as SF and NY."

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Others are implementing a set pay cut: At Stripe, employees receive a one-time \$20,000 bonus if they relocate permanently. But the online payments company is cutting pay by a flat 10% for those who leave New York, Seattle

or San Francisco (where Stripe is headquartered), regardless of where they move in the U.S. A Stripe spokesman said the bonus was to alleviate any financial concerns that workers might have about the cost of moving.

Some say any pay cuts are unfair. If companies are already saving money by not having to maintain physical offices, the thinking goes, shouldn't those savings be passed on to employees? And if an employee's work is unchanged, shouldn't they be compensated just as they were before?

"You're a beta or not valued if you take a pay cut and bow to HR or dumb corporate rules," said Adam Singer, chief marketing officer at enterprise tech firm Think3. Singer moved to Austin, Texas, in December from the Bay Area, where he had worked at Google and other tech companies for a decade.

Since then, "I've helped probably about 10 of my friends who are leaving San Francisco and New York City negotiate to not let their company adjust their pay," he said. "I understand this is a first-world problem. But the margins of these software companies are so good I think employees should stand up for themselves."

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His advice: "Negotiate the delta in bonus or stock," he said. "Your manager has levers."

"When push comes to shove, people recognize that they're probably coming out ahead when they're moving to a lower pay zone."

Rich Lang, senior vice president of human resources at VMware

The topic has prompted heated debate on online tech forums.

"If I knew my colleague in the same position as me was making twice as much as I do just by virtue of physical location, I'd be pretty miffed," one

poster wrote on a Hacker News [thread](#) about Facebook cutting pay for remote workers.

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"A salary is made up of a bunch of things, and one of those things is an allowance for living and working in an expensive location, which is not tied to performance or role," another [wrote](#). "It's reasonable that it changes if the circumstance changes."

Companies point out that setting pay based in part on geography is standard practice that precedes the pandemic, and that salaries in Silicon Valley are high partly because of how expensive it is to live there.

"The vast majority of people understand that this is how we need to operate a business," VMware's Lang said. "There's always the people who were hoping to move and leverage the lower cost of living and keep their higher comp. But when push comes to shove, people recognize that they're probably coming out ahead when they're moving to a lower pay zone."

Dantes, the engineer, had originally wanted to relocate to the Bay Area, where he has family, but settled on Sacramento because it was more affordable. And there was a welcome surprise: After crunching the numbers, ChowNow decided to keep his pay the same.

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"I fall in the category of work is work," Dantes said. But if the company had cut his salary, "I would have understood."

If you're working remotely, career prospects are going to be fewer

Teresa Lee, career coach

If industries beyond tech follow its lead and adopt work-from-anywhere

policies, it could have ripple effects well beyond how far programmers can stretch their paychecks. Without the need to follow the most desirable jobs, American knowledge workers could allow other factors to determine where they move, and how often.

U.S. mobility rates have been falling for years as people stay put and move less, said Greg Lindsay, director of applied research at NewCities, a think tank focused on urbanization. "It'll be significant if the pandemic reverses that," he said.

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Lindsay predicts millennials will move to less-expensive metro areas from New York, Los Angeles and other job hubs.

But those who flee high housing prices and taxes may find they're sacrificing more than a percentage of their salaries. Professional advancement in a distributed company could look very different, and distant employees could find themselves at a disadvantage relative to their office-bound colleagues.

"If you're working remotely, career prospects are going to be fewer," said Teresa Lee, a career coach in West L.A. "There's decreased visibility, so you won't be top of mind when it comes to promotions and these sorts of things."

To counterbalance that, Lee suggested regularly setting up virtual meetings with a wider subset of co-workers, flying to headquarters when possible and scheduling a weekly manager one-on-one. Another tip: pitching projects that involve collaborating with teams of employees instead of working on solo assignments.

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"These are things people should be doing if they're working in person, but

they're extra important if you're remote," she said. When meeting with a manager, "talk about your wins, your challenges, the things you've done. Make sure that it's not just verbal communication, there's some sort of log that you can reference."

Employers say they're implementing measures to ensure the playing field is level. At Veeva Systems, where a third of the Pleasanton, Calif., software company's workforce was already remote before the lockdown, meetings are held via video conference if even one person can't make it in person, Chief People Officer Vivian Welsh said.

"Our remote-first strategy sets the tone that employees don't need to be in an office," she said. "Anyone can be successful working from home."

Then there's the question of how a distributed workforce will affect corporate culture. At tech companies in particular, the office environment is carefully cultivated — and paid for, with perks such as free food, laundromats, car washes, child care, bicycles and state-of-the-art gyms.

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Twitter began shifting toward a decentralized office model two years ago. Since last year, the San Francisco company's permanent work-from-home requests have more than quadrupled, a spokesman said; before the pandemic, just 3% of Twitter's workforce took advantage of its Flexible Work Program.

With employees spread in far-flung locations across time zones, Twitter has sought to maintain a sense of togetherness this year by hosting virtual tea times, cooking demonstrations and magic shows, as well as a Virtual Hack Week.

It has also modified its coveted campus perks: Employees have access to remote yoga and meditation classes; get reimbursements or financial

allowances for daycare, at-home fitness equipment and Wi-Fi; and are given \$1,000 to help set up home office spaces. For those who move to less-expensive cities, Twitter is adjusting pay on a case-by-case basis.

For employers and employees, it's a moment of "cascading uncertainty," said Sherveen Mashayekhi, co-founder and chief executive of tech recruiting firm Free Agency.

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"The percentage of remote jobs is going to increase permanently. The question is how much," he said. "We're reconsidering what work looks like."