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# When Layoffs Happen, Remote **Workers Are Hardest Hit**

New data shows fully remote employees are more likely to be let go than their peers. They're also more likely to quit.



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By Te-Ping Chen

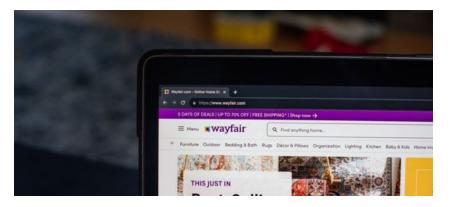
Jan. 26, 2024 5:30 am ET

Laying off employees is complicated. New data suggests that managers tend to have an easier time showing remote workers the door.

Workers logging on from home five days a week were 35% more likely to be laid off in 2023 than their peers who put in office time, according to an analysis of two million white-collar workers conducted by employment data provider Live Data Technologies. The analysis showed 10% of fully remote workers were laid off last year, compared with 7% of those working in an office full time or on a hybrid basis.

"When a hiring manager gets news they have to cut 10% of the staff, it's easier to put someone on the list you don't have a close personal relationship with," says Andy Challenger, senior vice president at Challenger, Gray & Christmas, an outplacement firm. Much of the disparity, he says, is that it's simply harder to build attachments to people you don't see face to face.

Some companies have been more intentional about putting remote workers on the chopping block. Wayfair, the online home-goods retailer, recently told employees that remote workers would be more likely to be affected in company layoffs. Executives also told staff they believe most workers should be in an office most days.



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Wayfair executives told staff Tuesday that remote workers were more likely to be let go in the latest round of job cuts. PHOTO: TIFFANY HAGLER-GEARD/BLOOMBERG

"We went overboard in hiring during a strong economic period and veered away from our core principles," Chief Executive Niraj Shah wrote in an earlier staff memo. Wayfair said while the company believes its best work is done in person, it will continue to have remote roles when warranted.

## Out of sight, out of mind

Given that many layoffs over the past year have been concentrated in tech—a remote-friendly industry that overhired during the pandemic—it's not surprising that people working exclusively from home have been harder hit, says George Penn, a managing vice president at <a href="Gartner">Gartner</a>, an advisory firm, who consults with companies on workforce restructuring.

Other managerial perceptions could be at play, too, he adds. A Gartner survey in 2021 found that 68% of executives and managers believed in-office workers were higher performers than remote employees.

In Albuquerque, N.M., Liana Robertson, 56 years old, who was laid off this month from her client support job, says she struggled in her fully remote role to get on the same page as her manager.

"Bosses don't think you're actually doing work, because they can't see what you're doing," she says. "They assume everything takes 10 minutes, and why haven't you finished it?"

Ron Porter, a Korn Ferry consultant on workforce issues, says he is hearing from clients that fully remote workers are getting cut more frequently than their inoffice and hybrid colleagues. Part of it, he says, is natural human reluctance managers feel to cut those they have to face in person. It's also possible that workers who are remote 100% of the time may be more marginal to start with, he adds, with managers preferring to keep their strongest employees doing the most important tasks close to them at the office when possible.

#### Easy come, easy go

Alyssa Ciesky, 40, a talent acquisition specialist based in San Antonio, says that as a fully remote worker, she's aware of the risks. "They're easy to get rid of, you can't put a face to the name, there's no personal connection." she says of workers like herself. When Ciesky was laid off at the end of 2022 from her fully remote role at a semiconductor company, she says, her manager was based in England. She said she wasn't surprised.

Still, she says that as a mother of two young children, she's willing to take on the prospect of instability for the flexibility of remote work.

"It's worth it," she says, adding that she also likes the feeling of autonomy and the ability to focus that working from home offers.

David Risch, a recruiter in the supply-chain industry, says that especially in today's <u>weaker job market</u>, he cautions candidates to keep their eyes open with all-remote roles.

"We warn them, easy come, easy go,"

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he says. "A company's going to invest in someone who's investing in them."

Remote workers are also more likely to quit. According to Live Data

Technologies, 12% of fully remote workers left their company and began a new job within two months in 2023, compared with 9% of those who worked on a hybrid or in-person basis.

Some CEOs say that while they personally don't look at an employee's remotework status when determining job cuts, they understood why work-from-home status could put them at higher risk. Other data and studies indicate that executives are rewarding in-office employees with <u>promotions and favorable assignments</u>.

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"If you have a person working in finance who's not coming to the office, why wouldn't you hire that same person in India or in the Philippines?" said Christian Ulbrich, chief executive of real-estate company <u>Jones Lang LaSalle</u>, noting that in many cases overseas workers can do the same job for less money.

"If you don't see anybody, somebody at all, you literally may forget how valuable that person is."

-Chip Cutter contributed to this article.

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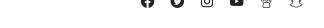












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