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THE WALL STREET JOURNAL.

EXCHANGE --- Back to Work* Or Else --- *We really mean it this time. **Please don't force our hand.**

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Labor Day marks the line in the corporate sand.

Many company leaders say the end-of-summer holiday represents the best chance to finally lean on workers to return to the office this year.

After months of encouraging white-collar employees to return, or attempting to coax them back with free pizza, warm cookies and catered lunches, many executives now say they feel emboldened to take a tougher stance. No longer can workers merely come to the office if they so choose; this fall, executives say, attendance is expected and the office resisters will be put on notice.

Employers including Apple Inc., Prudential Financial Inc. and BMO Financial Group plan broader September returns at their U.S. offices. Some companies, such as Ally Financial Inc., have sent notes in recent weeks reminding workers to come into the office consistently. Goldman Sachs Group Inc. said it was lifting all vaccination and other requirements to enter most of its offices after Labor Day, eliminating a final barrier to a full return.

Others, including Marriott International Inc., are opening gleaming new office spaces with the hope -- and expectation -- that workers will use them.

Many executives say that, with schools in session and the weather still warm, a post-Labor Day return is their best hope at getting workers on a more regular office schedule before the fall and winter holidays. With Covid-19 cases and hospitalizations in decline and the death rate lower, workers say they are growing accustomed to living with the risk of the virus, making it less of a deterrent to office work. Bosses also feel emboldened to step up demands as signs emerge that the economy is weakening.

"A lot of employers are saying, 'We're going to set a line of demarcation,'" this fall, said Steve Pemberton, chief human-resources officer at the workplace **technology** company Workhuman, which is requiring its employees in the Boston area to return one day a week starting this month under hybrid schedules, while some employees can remain remote.

Many bosses say it remains difficult to hire in an environment in which the unemployment rate is 3.7%. Still, workers might be more willing to accept return-to-work orders given recent announcements from several prominent companies that they planned to shed workers. Social-media company Snap Inc. said Wednesday it plans to slash a fifth of its workforce. Others that have announced layoffs this year include Ford Motor Co., Carvana Co., Netflix Inc., Coinbase Global Inc., Robinhood Markets Inc., and Peloton Interactive Inc.

Fears of a recession or job cuts could give employers an upper hand, but some remain reluctant to tell workers they will be fired for not showing up -- even if companies are reserving the right to do so as a last resort.

Other corporate leaders are arming themselves with new data that help to bolster their case for in-person work. Some are linking identification-badge swipe data with separate metrics to show whether employees who go to the office regularly are more productive and engaged, said Zig Serafin, chief executive of cloud-software company Qualtrics, recounting an experience of one of the company's clients.

What makes the return effort more complex now is that many employees say they appreciate the flexibility that comes with remote work, and hope to retain at least a hybrid arrangement, according to interviews and surveys. Bosses are often more interested in what they see as the benefits of coming in: promoting collaboration, energizing the corporate culture and helping younger employees connect with colleagues.

Some companies say they have had success in trying to balance all preferences. Audio giant Spotify **Technology** SA said its roughly 8,600 employees, who have been largely remote during the pandemic, returned in recent months in larger numbers than the company expected. That is partly because it hasn't forced them to do so, said Katarina Berg, Spotify's human-resources chief. After Spotify offered most employees a choice on their work setup, about 60% chose to work from an office a majority of the time, while roughly 40% decided to remain largely at home.

"Psychology comes into play on this," Ms. Berg said. "Nobody is telling me that I need to come in. It's just my choice. And I think that is very important for you as a human being, too. I'm smart; I know how I want to do my job, when I want to do my job."

She added: "If you recruit grown-ups and then you treat them as kids, it's going to backfire."

Previous campaigns to get workers together in-person -- including one last Labor Day -- largely failed, executives said, as Covid-19 cases surged or workers simply ignored return-to-office decrees. The office occupancy in an average of 10 major U.S. cities hasn't surpassed 50% throughout the pandemic, according to data from security provider Kastle Systems, which tracks badge swipes.

How strongly a company can push for in-person work now depends on an employer's industry, what competitors are doing and how much leverage companies assume workers have to easily switch jobs, executives say. When Christian Ulbrich, CEO of real-estate company Jones Lang LaSalle Inc., chats with clients or executives at other companies, many ask: What's it going to take to repopulate workspaces?

"They're also concerned because, as we all know, that message was sent earlier, and it didn't really resonate" with some employees, Mr. Ulbrich said.

Apple initially chose a phased approach in which employees at its California headquarters were to come in two days a week starting in April and work their way up to three days a week by the end of May. The company later pushed to September its timeline for adding the extra day.

At Prudential, where hybrid-work arrangements take effect after Labor Day at its New Jersey headquarters and other offices, the commute is likely to be the biggest hurdle to employees returning, said Vice Chair Robert Falzon. Still, the company wants people to come in, he said.

"We expect people to work their hybrid arrangement," Mr. Falzon said. "I am trying to create intentionality and reasons for people to be in the office. If we have a problem [doing that] six months from now, we'll have to cross that bridge."

Erik Kostelnik, CEO of the marketing-**technology** company Postal.io, called his workers back three days a week to the company's headquarters in San Luis Obispo, Calif., in mid-August. Workers who live within commuting distance, which is about half of the company's 120 employees, don't get to choose which days they go in: it's Tuesdays, Wednesday and Thursdays.

"If you don't have a standardized time of when you're in the office and when you have core working hours, it becomes too loose," said Mr. Kostelnik.

When everyone was working remotely earlier in the pandemic, Mr. Kostelnik said he found that his "A players" were self-sufficient and thriving but his B and C players weren't benefiting from the knowledge and experience of their colleagues.

"It's not about productivity; it's not about the output or making sure you're getting what you pay for," he said. "The office is a resource."

Mr. Kostelnik said there has been no pushback on the attendance requirement and the office is about 80% full on the days people are supposed to be in. He doesn't have a plan to enforce the policy if employees start slipping.

Workers largely prefer flexibility both in terms of when they work and how often they go to the office, surveys have shown. And while the labor market has been tight, many companies have obliged them: Some firms that initially planned to bring people back three days a week decided to opt for two instead. Others, including cloud-communications company Twilio Inc., initially rolled out hybrid arrangements but changed course and decided to go remote-first.

Some hiring managers say they have been able to attract talent by telling prospective candidates they can work from anywhere. But the number of remote jobs has started to fall, even as demand for remote roles remains high. Around 17% of paid job postings in the U.S. on the professional-networking site LinkedIn offered remote work in July of this year, down from a high of around 20% in March. In July, paid remote jobs attracted the majority of applications, at around 54%.

While worker preferences about flexible work might not budge, people's willingness to show up at an office may be affected by factors like concerns over proximity bias, the tendency to favor those physically close to you, and worries about job security amid an uncertain economy.

When it comes to primary motivators for going into the office, "putting in facetime" rose from 2% last quarter to 10% in the most recent quarter, according to a survey of more than 10,000 knowledge workers from Future Forum, a consortium funded by Slack Technologies LLC, Boston Consulting Group and MillerKnoll.

"That is not good," said Brian Elliott, executive leader of Future Forum, referring to making an appearance in front of superiors as a reason for going to the office.

Workers should ideally be motivated to go in to collaborate and build relationships with colleagues, Mr. Elliott said, not because they feel it's important for the boss to see them working.

The same survey also showed that 40% of employees working mostly or entirely in-person said that doing so was helping their career trajectory.

Yuen Yee See, a 29-year-old account director with an advertising agency in New York City, said she's expected to go into the office two to three days a week after Labor Day. She isn't planning to go in more than is required.

"Two to three times is a nice balance for me personally," she said. "You can still do your job equally well when you're remote."

Some companies hope new spaces will boost enthusiasm for the office. Hotel giant Marriott plans to hold an opening ceremony for a new headquarters in Bethesda, Md., in mid-September. The space has high ceilings, pods of treadmill desks for group meetings and a cafeteria with indoor and outdoor seating.

"Once you get here, the prevailing view I hear is, 'I want to be here a lot,' because it's a great work environment," said Anthony Capuano, Marriott's CEO. "In some ways, walking around this building is like a family reunion."

Marriott hasn't mandated specific days for a return, though Mr. Capuano said he expects office attendance to grow over time -- particularly as workers start to feel left out. Already, he has noticed a shift during daylong hybrid meetings. When the in-person group breaks for lunch and rejoins the meeting in the afternoon, laughing together as the meeting resumes, those at home seem to look on with what Mr. Capuano described as the same expression of children peering into a store window in a Norman Rockwell painting. "You can tell they miss some of that unofficial interaction," he said.

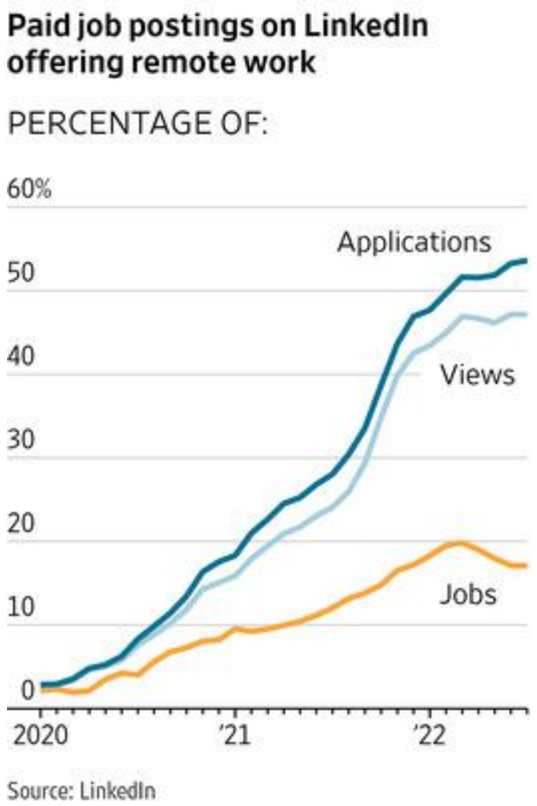
If a Marriott employee refuses to return to the new office altogether, the company would assess the situation based on the business needs and the specific role, he said. A **cybersecurity** professional would likely be allowed to work from home. But if someone who often interacts with executives asks to work remotely in a different time zone instead of at headquarters, that is likely to get a "no," Mr. Capuano said.

Ally Financial encouraged employees to return to its offices in recent months. Like many companies, it found that some employees stayed home anyway, said Kathie Patterson, the financial-services company's HR chief. Ally has hired close to 2,000 people during the pandemic, Ms. Patterson said, and new employees need to learn alongside company veterans.

The company sent a message to staff in recent weeks to remind employees that office attendance is expected, and leaders are telling staff to reiterate that point. "There is a real strong push now, after Labor Day, for all employees to come back into the workplace," she said. "We want a more consistent schedule."

For those workers who have spent little to no time in the office, managers are reaching out to have individual conversations, Ms. Patterson said, and may give staffers a deadline to make personal arrangements to return. Further action could take place in the year ahead.

"We're prepared to have a very clear conversation that this position is in-office," she said. "If they're not in the office, it could be seen as a form of insubordination, but we have not gotten to that point yet."



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Equifax Sent Lenders Wrong Credit Scores

By Andrew Ackerman and AnnaMaria Andriotis
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Equifax Inc. provided inaccurate credit scores on millions of U.S. consumers seeking loans during a three-week period earlier this year, according to bank executives and others familiar with the errors.

Equifax sent the erroneous scores on people applying for auto loans, mortgages and credit cards to banks and nonbank lenders big and small -- including JPMorgan Chase & Co., Wells Fargo & Co. and Ally Financial Inc., the people said. The scores were sometimes off by 20 points or more in either direction, the people said, enough to alter the interest rates consumers were offered or to result in their applications' being rejected altogether.

The inaccurate scores were sent from mid-March through early April, the people said. The company began disclosing the errors to lenders in May, they said.

Equifax said it has since fixed the error, which the company described as a "**technology** coding issue." The glitch didn't alter the information in consumers' credit reports, the company said.

"We have determined that there was no shift in the vast majority of scores during the three-week timeframe of the issue," Sid Singh, president of Equifax's U.S. Information Solutions, said in a statement. "For those consumers that did experience a score shift, initial analysis indicates that only a small number of them may have received a different credit decision."

Equifax maintains credit reports on more than 200 million U.S. consumers and sells them to lenders. The information in these files -- including whether consumers are applying for debt, the types of accounts they have and whether they have a history of paying on time -- determines consumers' credit scores. Credit scores are among a number of factors lenders consider when making loan decisions.

The glitch is another setback for Equifax, which fell victim to a hack in 2017 that exposed the sensitive personal information of nearly 150 million Americans.

Trade publication National Mortgage Professional reported on the glitch in late May, saying Equifax had notified lenders of erroneous scores during the period in question.

Mark Begor, Equifax's chief executive, publicly acknowledged the flub at a June investor conference, calling it a coding issue that affected "legacy applications that resulted in some scores going out that had incorrect data." He said the company had fixed the problem and takes issues with its data quality seriously.

"The impact is going to be quite small," Mr. Begor said, "not something that's meaningful to Equifax."

The glitch, however, affected many lenders across multiple consumer loan products, not just mortgages, according to people familiar with the matter.

The percentage of incorrect scores provided to lenders varied, the people said. At one big bank, 18% of applicants during the three-week period had incorrect scores, with an average swing of 8 points, one of the people said.

Equifax told one large auto lender that about 10% of applicants during the three-week period had inaccurate scores, according to a person familiar with the matter. Of those, several thousand saw a change of 25 points or more on their credit score, the person said. In a small number of cases, applicants went from having no credit score at all to a score in the 700s -- or vice versa, the person said. The most widely used credit scores range between 300 to 850; the higher the credit score, the more likely an applicant will get approved and at a lower interest rate.

Lenders are asking Equifax for more information and are trying to figure out what to do for applicants who were denied credit or offered a higher interest rate than they deserved, the people said. They are considering repricing loans and giving rejected applicants an opportunity to reapply, the people said, a task complicated by recent interest-rate increases.

Equifax has been working closely with lenders and providing them with updated scores, Mr. Singh said in the statement. "We do not take this issue lightly," he said.

The glitch could land Atlanta-based Equifax in more hot water with its regulator, the Consumer Financial Protection Bureau. Under its director, Rohit Chopra, the agency is investigating how the three main credit-reporting companies -- Equifax, Experian PLC and TransUnion -- handle consumer disputes, The Wall Street Journal previously reported.

Mortgage lenders sought about 2.5 million credit scores in the period in question, according to one industry estimate. But because they typically view credit scores from each of the three credit-reporting companies, the glitch's effects on mortgages may have been blunted, some industry officials said.

Fannie Mae and Freddie Mac, which guarantee about half of the U.S. mortgage market, likely purchased only a relatively small number of loans at inaccurate prices due to erroneous credit scores, one of the people said. Mortgage lenders may owe the government-controlled companies additional money if borrowers received higher credit scores than they should have and their loans are deemed riskier than initially thought, according to industry officials. In some cases, Fannie and Freddie could owe lenders refunds if the scores were unduly low.

A spokesman said the Federal Housing Finance Agency, which oversees Fannie and Freddie, is working with the mortgage giants to assess the scope of the loans affected by the glitch.

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