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What Comes Next: Visualizing the Future After the Great Pandemic of 2020 – Part 1

Impacts on Society, Work and Government

(Part 1 of 3)

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When you click the pause button on a video recording, the image freezes. When you pause humanity, as is occurring now during the COVID-19 pandemic gripping most of the world, we do not stop. We do not rest.

Instead, we think, refresh, imagine and eventually will try to adapt to a new world order once the pandemic abates. Darwin surmised that it is not necessarily the strongest or smartest that survive. Rather, the survivors succeed in being flexible and adapting to new environments. Zhou Enlai, communist China's first premier, when asked by Henry Kissinger what impact the French Revolution had on China, reflected, "It's too soon to tell."

Given the pressing necessity to reconnect our lives and economies, while at the same time staying healthy and safe, we do not have the luxury to reflect. Rather, we must plan for a future that is being quickly thrust upon us, or existing trends accelerated, at warp speed. This article imagines how that new world order could impact our lives – at work and beyond — and how we can successfully be flexible and adapt.

A recent paper on 15 major pandemics and armed conflicts since the 13th century postulated that the major after-effects of those events lasted over 40 years. Real rates of return were more substantially depressed during the period ravaged by pandemics, more so than due to wars, because of the significant precautions and adjustments business and society took after pandemics but not after wars. The theory is that after wars, most countries just rebuild and, while they may have changed institutional frameworks, do not reassess ways of doing business and conducting their day-to-day lives.

This three-part article offers possible post-COVID-19 changes to our work environment, from a variety of perspectives: social, design, technology, marketing and sales, legal, financial and government. To paraphrase the former mayor of Chicago, I hope these thoughts may help us not waste this crisis and instead prepare for a brighter future.

Social

We have struggled to balance work and life since time immemorial. Work bestows many basic emoluments: community, identity, safety, socialization, purpose, financial and social security, stimulation, respect and support. Many often rely on or substitute the socialization of work as a surrogate or a substitute for other nurturing environments like home life and friends. Some generations balance work and life differently, but all weigh these factors in calibrating their own approach.

The COVID-19 pandemic has the potential to dramatically alter the weighing of factors away from work and toward life, balancing personal health with financial health. As will be discussed, the reduced loyalty to the employer, lowered social connections at the workplace and overall employee feelings of lack of control and alienation could lead this next generation, to use an analogy to the generation following the end of World War I, to be a "Lost Generation," ever searching for belonging and recovering from the shell shock and trauma from the pandemic and the abrupt dramatic changes it inflicted.

Many reasons support this view and suggest some possible employer responses:

Severing of Security and Control. To the extent that we depended on work for financial security or for a support network of co-workers, the pandemic radically upended these tenuous ties. The abrupt and unprecedented massive layoffs careening our economy from a 3.5% to a 10% or higher unemployment rate in less than a month mirrors Lucy's lifting of the football on Charlie Brown. The inability to have meaningful in-person conversations and meals with co-workers also tears asunder our very way of life. Having to distance your relationships by at least six feet and wear a mask also reduces the development of deeper rapport. Eliminating the handshake or peck on the cheek further dehumanizes our interpersonal contact. Further, the lack of any control over the disease or its progress coupled with the lack of control over our work environment and even our continued employment, interwoven with the trauma of being removed from our comfortable environment with little notice and ripped from the comfortable fabric of the work environment, fosters in employees an often traumatic fear and alienation. This will be a difficult emotional scar to heal.

Diminished Loyalty to the Employer. While many of us were never under any illusion that work was anything but a business, the abruptness by which our role in our company and our ability to have a part in the work family can summarily and without warning be torn asunder has to reduce anyone's sense of safety, security and belonging, not to mention loyalty to the business. Therefore, unless driven purely by the drive for financial security, the pandemic has uncovered a basic truth of our businesses – most employees are expendable cogs in a wheel. The social fabric and community developed at work are mere conveniences and second derivatives of this basic premise. More remote working (see *infra*) may exacerbate the fraying fabric since time and opportunity to develop meaningful ties with co-workers diminishes.

Less Stable Workforce. Spending even less time in the office, balancing priorities more toward life, not developing a deep support network at work due to diminishing opportunities to do so, and not having the same zealous devotion to the company and work ethic will lead to employees being more inclined to hop from job to job more often, in light of more money or actually a larger company with more perceived financial stability. While younger generations have certainly shown less proclivity than older ones to remain at the same employer for long periods of time, the post-pandemic world may accelerate that trend, broaden it to older generations, and diminish entrepreneurship and risk-taking in favor of more certainty and stability.

Employer Response to Recalibrate Employee Social Needs. Businesses desirous of attracting and retaining the best employees might need to reassess their approach in this post-pandemic world and be more cognizant of these social needs for more stability, community and certainty. Some examples:

- "Rainy Day" Reserve Fund. Post-pandemic companies might balance community above pay as a lure to attract and retain employees. Alternatively, businesses could set aside a "rainy day reserve fund," on top of the usual 401(k) and other retirement plans, where a portion of an employee's pay or company profits could be placed in a fund that is used only to retain employees in situations where mass layoffs were warranted. An employee would receive their share of the funds upon retirement or being terminated in such a circumstance (if funds were not used previously). Obviously these funds are not a panacea but a means to dedicate some resources and provide some comfort. Moreover, businesses might manage their finances more conservatively and always agree to have some minimum level of cash, say a three-month reserve, to assuage employees that it can stay afloat for some reasonable period of time in case another disaster strikes.
- Wellness Programs. Taking an interest in the health of the office environment is but one component of health and safety. Another is the employee's personal health. Wellness programs have proliferated in recent years, as well as access to gyms and health clubs. These trends will only accelerate, provided that gyms and health clubs can provide sufficient comfort regarding cleanliness and social distance.
- ESG. Companies promoting environmental, social and governance enlightenment have curried favor and gained prominence in recent years, culminating in the conservative business-centric Business Roundtable recently embracing the concept. Employers might promote their ESG sensitivity to employees to distinguish the company as one of the good actors. More substance than simply clinging to the ESG talisman will be needed for this purported sensitivity to be credible.
- Other ideas to address employees' needs for security, absence from fear, safety and belonging are set forth under Work.

Work

A familiar refrain after the end of World War I was “How do you keep them down on the farm after they’ve seen Paris?” The COVID-19 work from home requirements might reverse this question, as workers wonder how are they going to leave the comforts and efficiency of home. Here are some thoughts on how our workplaces may change in response to this crisis.

More Telecommuting. After spending so much time at home, and realizing the time saved from the commute and absence of coffee breaks and meals, as well as avoidance of continual interruptions, employees may be more willing and eager to work remotely. This is particularly true if technology facilitates efficient work collaboratively at a distance. Spending more time and conducting more work activities at home continues the stay-at-home trend we have seen over the past 10-20 years. Just as malls and retail stores are losing the battle to online retailers, and restaurants share some profits with home delivery providers, the increase in those shopping at home and dining at home will be joined by those working at home.

Office Design. Office space design may also be reconfigured so workers feel safer. For example, office pools or desks on top of desks may be rethought or need to be assured proper ventilation. Plexiglass dividers between office pool carrels and facing the open halls likely will be considered and installed. Chairs for visitors in offices may need to be spaced out or removed to discourage proximity. This distance of course does not forge dynamic interaction or team building. Conference rooms, cafeterias and other gathering spaces may also need to be redesigned so people keep at an appropriate distance while at the same time enjoy some social interaction and forge some sense of community.

Higher Level of Fee Earners in Relation to Assistants. The pandemic may finally accelerate the trend toward converting labor to capital. In the service industry, fee earners’ embrace of producing documents and other ways to become more self-sufficient have already increased the ratio of fee earners to assistants from 1-2:1 more than 10 years ago to at least 3-4:1 now. Needing to physically space assistants out more, perhaps alternate those working from home and at the office, combined with the increasing proficiency of at office and at home fee earners suggest the trend is likely to accelerate to maybe 5-6:1 or more at some workplaces in the not-too-distant future. Some of the replaced assistants could become retooled to fee earning work, such as quasi-paralegal work in law firms, especially as legal fees continue to increase with apparent inelasticity.

Office Space. The cumulative effect of more people working remotely and less staff suggest the need for less overall office space. For example, in law firms, the size of offices has trended downward, with the average size around 140 square feet. Some are suggesting those downward trends will continue unabated, perhaps to 125 square feet per office or smaller. A countervailing offset to that trend, however, may be the requirement for more space due to the need for greater distance between and among workers and conferees and perhaps less employees out of the office by virtue of not traveling as much. Even if office sizes are smaller or the same, the trend toward office hoteling and using more conference rooms, where proper distancing is desired and available, is likely to continue.

Disaster Plans. Just as the Pentagon has war games for a multitude of scenarios, and just as most businesses have disaster plans for network crashes, most businesses will adopt some form of written plan, often while their current plan is fresh, that will be updated regularly. While plans are only as good as the affliction being confronted, and many plans usually tend to fight yesterday’s wars, a lot of the concepts will be spot on. The plans may address any type of work disruption. Future pandemics of whatever catalyst agent are not the only causes of the need for disaster plans. Climate change could quite possibly introduce severe weather conditions necessitating evacuation. Lenders and other equity sources might well expect this to be addressed. Insurance companies might require it, especially for business interruption coverage, or they might provide a premium incentive for those businesses that have adopted a plan.

Health and Safety Plans. While disaster plans are critical to deal with black swan events, documenting an intense, detailed and comprehensive health and safety plan will soon become a must-have best practices for all workplaces. Many restaurants, hotels, manufacturing, construction and other dangerous occupations have these plans, in some form or another. Most offices are cognizant of the need for clean, hygienic and safe working environments and all have one form or another of a regimen for assuring some level of cleanliness, even if it just means paying the landlord to engage a maintenance crew. Training and educating employees on the details of the plan will become no different than the way most offices train and educate employees on personnel and policy manuals, harassment prevention training and similar workplace improvements.

Risk Management or Work From Home Teams. The disaster plan may address the coordination of the office if and when it is evacuated to assure its smooth functioning. The team should be small enough that it functions seamlessly yet large enough that it covers the basic functional areas of the business and is engaged with the key constituencies of the business, both internal administrative and external customer- and community-facing personnel.

Focus on Higher Level of Health, Cleanliness and Safety. Office environments may soon stress their cleanliness and safety. These attributes, always taken for granted and never really promoted in attracting and keeping workers, may now catapult to the forefront to comfort workers' anxieties. For example, disinfectant wipes and hand soap can become omnipresent. Coffee machines, soda machines, food dispensers and other purveyors of sustenance as well as countertops, printers, copiers, file cabinets will be wiped after every use. Prohibitions on shaking hands or any other once-routine business contact may become the norm. The issue of how to open doors to high-traffic areas like restrooms without touching the doorknob may be solved by doorknobs, countertops, copier buttons and even coffee pot handles being made with virus-repellant coatings. Meetings could be limited to a few attendees in person, spaced appropriately apart, with the other participants on video. Older or compromised personnel may be asked to stay at home more regularly during flu season and certainly when they are not feeling well, instead of braving their illness and lumbering down to the office. HIPAA privacy rules, keeping confidential employee health records and personal information, may need to be relaxed so others in the workplace may be alerted to avoid them or stay safe. We might increase the scope of services our cleaning services provide to enhance disinfecting. Just as we submit ourselves to baggage searches at airports, perhaps there could be random, or even routine, temperature checks either at building security or random tests at the office. Further, just as we pass a scanner to gain entrance to our elevator banks, perhaps we will all pass heat detectors to gauge whether we have a fever. Since 9/11 we have made tremendous accommodations to balance safety with privacy and convenience. It is not inconceivable that society, and certainly many safety-conscious employers, will likewise balance employee safety and health in favor of some not so dramatic intrusions.

Government

Changes in our federal government unleashed by the pandemic are beyond the scope of this article. However, certain changes could directly affect our work lives:

Increased Taxes. While the author is not an economist, the trillions of dollars of government stimulus, amounting to over 10% of our GDP, should be inflationary (although TARP and other excessive stimulus in 2007-08 did not lead to inflation). Increased taxes are a conventional tonic to drown deficit spending. This could both lead to great use of the multitude of income and estate tax planning services but at the same time decrease business activity.

Increased Regulation. The pandemic has unleashed a torrent of legislation addressing crucial pillars of our economy and business. These include lending, labor, employment and executive compensation. Most of the legislation was written hurriedly to deal with the impending political and fiscal crisis and the need for interpretation, as well as compliance, creates work for the service industry.

Government Involvement. Regardless of your position on the political spectrum, you can hardly debate that the federal government has shown a willingness and ability to take bold and decisive action in a short period of time, at least in a national emergency. The normally cautious central bank has basically adopted the approach of the former president of the European Central Bank and chose to "do whatever it takes" to keep the economy afloat. These appetites to use the government fiscal stimulus and monetary easing could lead to a few possible unintended consequences:

- Loyalty to the Government Over Your Employer. Many employees will remember feeling betrayed and jettisoned, or at least extraordinarily vulnerable and at risk, while at work. With their economic security tenuous at best, they may now turn to the federal government as the last bastion of loyalty and hope to comfort them in trying times, not the faux nurturing bosom of their work family.
- Creation of New Government Department. Very few have extolled the federal government's response to the pandemic. While there is no shortage of blame, the panoply of government department and agencies handling some aspect of readiness, testing, messaging, assessment and coordination suggests a need for greater oversight, focus and responsibility. This approach is similar to the creation of the Department of Homeland Security after 9/11, reacting to the multitude of disconnected defense

preparedness agencies. The new department may also marshal strategic resources. Just as we have a strategic oil reserve, we may have strategic reserves for supplies of masks and personal protective equipment, ventilators and respirators, to subsidize overbuilding of hospital rooms, some type of test kits and other opportunities for companies to sell to the government.

- Reduction in Moral Hazard. Unnecessary or imprudent risk-taking, or simply bad business or bad luck, typically has consequences. The fear of those consequences keeps most prudent businesses in check. Perhaps seeing that bailouts, or at least lifelines, are virtually universal, without regard to size or predicament, may encourage employers in the future to take more risks, relying on this precedent. This could undoubtedly lead to worse and worse business decisions, and more and more troubled companies, the continued vicious cycle of layoffs, and the continuation of the social alienation and lack of control felt by many.
- Rise of Nationalism and Populism. Financial crises typically unleash nationalism and populism, as we witnessed during the Great Depression and the Great Recession. The rise of Orban, Erdogan, Brexit and Trump all trace to the feeling of loss of national security and identity to other countries and forces beyond our control. These trends lead to less trade, higher tariffs, favoring of domestic goods over foreign ones and the decimation of international supply chains. These structural changes in turn lead to less efficient pricing, shortage of desired products and greater international tensions. These hardly foster economic growth and security and instead sow the seeds for further conflict and possible disruption in our lives.

Reduced Privacy. Society has been struggling with the growing loss of privacy as social media powerhouses and dominance proliferate. The pandemic may rebalance that calculus. People may be more willing to release their personal health information in exchange for the release of other's personal health information so more may stay healthy. Stringent HIPAA rules, for example, may be the first to be re-examined as too stringent in a world where we need to reduce the chances of inadvertent spreading of disease. We are already seeing this with the announced partnership between Google and Apple to create an app to monitor those who have been afflicted with the virus.

More Downtime Due to Pandemic Alerts. This pandemic will scar the psyche of many for decades to come, with the inevitable passing of stories down to the succeeding generations. Given the great disruptions a pandemic inflicts, the memories of which may become exaggerated and shibboleths as the years progress, and given the perceived slow and less than energetic response the federal government provided, future leaders will view efficient, competent and rapid response to even a whiff of a pandemic to be the prism through which their competence is judged. Therefore, government will be expected to react with alacrity, not panic, and competence. Just as governors of states in hurricane regions lead efforts to warn citizens in advance of an impending hurricane and exhort them to board up their houses and head for higher ground, future national leaders, and even some state leaders, may closely monitor outbreaks of illnesses in faraway lands, just as we now monitor the formation of tropical depressions in the Caribbean, and perhaps prepare citizens and businesses well in advance. This may result in more precautionary business closures, some warranted and some like the putative hurricane that thankfully never develops or veers off course. Very few will blame a government for shutting down their workplace too soon rather than keeping it open too long. While we as a society balance economic health against physical health, this pandemic has slightly tilted the balance toward the latter.

In Part 2 of this article, we will examine the possible changes after the pandemic that could reshape the legal profession, as well as the financial management and parameters of future transactions.

In Part 3 of this article, we take a look at the potential future of marketing and sales, as well as technology, that will be impacted by COVID-19.