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Editorial: Research Opportunities for Pandemic-Induced Business Changes: The Case of the Working from Home Arrangement

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The enduring COVID-19 pandemic has forced organisations to adapt their operations to cope with the constrained business environment (Sridharan & Tse, 2020). Widespread adoption of the Working from Home (WFH) arrangement is a widely known example of operational changes induced by the pandemic.

The WFH arrangement has long been considered as an alternative work arrangement to address work-life balance issues (Crosbie & Moore, 2004; Dockery & Bawa, 2014). Before the pandemic, the WFH arrangement was the exception rather than the norm for most businesses. The arrangement was often offered to selected employees only and considered as a form of employee benefit.

Since the start of the pandemic, most organisations have been forced to maintain their operations by having most, if not all, of their employees working from home. In many cases, the WFH arrangement was intended to be a temporary solution to overcome the lockdown restrictions. Employees were asked to return to office once the lockdown restrictions were eased. Some of the advantages and concerns of implementing the WFH arrangement during the pandemic are discussed in Ratnatunga and De Silva (2020).

Some organisations, however, saw the value of large-scale adoption of the WFH arrangement and made it an ongoing organisational practice. Some organisations have adopted WFH arrangement as a full substitute of working at office. For example, PwC offers all of their employees in United States to opt-in for WFH on a permanent basis (O'Dwyer, 2021). PwC employees who elect to work from home are only required to come to office for no more than 3 days per month. Other organisations combine working from home and working at office arrangements to reshape their work models. Siemens allows its global employees to work from home for 2 – 3 days per week with the remaining days working at office (Kelly,

2020). Deloitte has shaken up its work model by eliminating both the time and location requirements for its Australian employees (Bennett, 2021). Employees are allowed to work at anytime, anywhere.

When employees are working from home, it would be much more difficult for managers to monitor individual employees' performance by observation. While it is possible for organisations to adopt technology-based solutions to monitor employees' activities at home, home monitoring by employers is invasive in nature and may spark ethical and/or legal concerns.

In organisations in which the implementation of the WFH arrangement constitutes a part of the overhaul of work models, increased workplace flexibility is one of the key advantages of such an arrangement. Home monitoring would be counterproductive in those cases as it facilitates conformity rather than flexibility.

Another potential advantage of the WFH arrangement is the reduction of office space requirements. As employees are not working at office all the time, it is possible for organisations to better utilise the office space by implementing the hot desking system. Distractions caused by frequent desk relocations and the consequential inhibition of creativity are considered as major pitfalls of the hot desking system (Ditchburn, 2014). Combining the working from home arrangement and the hot desking system can help to alleviate the issues caused by the hot desking system while preserving its strength.

To take the full advantage of the WFH arrangement, organisations should reconsider their control objectives and reconfigure their management control systems. Instead of focusing on employees' inputs, emphasis of performance management systems should be placed on employees' outputs (Kelly, 2020). The office space and equipment need to be constantly monitored and managed to ensure that any idle office capacity arising from the WFH arrangement is properly utilised.

The changes caused by large-scale adoption of the WFH arrangement open up new opportunities for management accounting research. For example, the conceptualisation of what constitutes organisational performance in an organisation plays an important role on how performance management systems are designed and used (Murphy & Murrmann, 2009). It would be of interest to see how the change of organisations' conceptualisation of the construct of performance (or lack thereof) after the large-scale adoption of the WFH arrangement affects the

effectiveness of performance management systems and the overall organisational performance. Another area of interest is how the large-scale adoption of working from home arrangement affects the value of organisational capabilities. Some organisational resources are deployed in a way that provide additional flexibility. For example, setting up computer servers as private clouds would make them easier for employees who are working from home to access the system. However, the value of flexibility as a form of organisational capabilities is often overlooked in management accounting research. A notable exception is Ratnatunga, Gray, and Balachandran (2004). Research on the value of organisational capabilities in term of its ability to facilitate the WFH arrangement would help to address the literature gap in the area.

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