



Job Seekers May Make Sacrifices For Hybrid Work

By David Isenberg July 19, 2021

An increasing number of job applicants want hybrid work arrangements, and firms that don't give their staffers flexibility in where they work could be hamstrung in their efforts to recruit, recruiters say.

Many asset management firms have rolled out their return-to-work policies for their U.S. offices. Some 87% of CEOs plan to offer flexibility in their working models, according to a survey of 34 CEOs and firm conducted by **Deloitte's Casey Quirk** between September 2020 and March 2021.

BlackRock, for example, is still hammering out its long-term policies regarding in-office attendance, a company spokesperson said. However, employees at the New York-based firm have said that they would be more likely to return to the office if the firm offered more flexibility in general, she added.

Until the end of next month, vaccinated employees may choose to work from home or the office, according to an internal BlackRock memo, and unvaccinated workers are not permitted to go into the office. Plans after August are still "evolving," she adds.

Other firms like **TIAA**, **AllianceBernstein** and **Fidelity** will offer flexible, hybrid work for most or all employees. The 90% of TIAA staffers who opt into being hybrid workers will come into the office three days per week on average, a spokesperson said.

At AllianceBernstein, meanwhile, all employees will have a hybrid work opportunity, a company spokesperson said. However at Fidelity and **Ninety One**, a Cape Town, South Africa-based shop with \$191.4 billion in assets under management, each firm will assess each individual's job function before deciding whether he or she can have a flexible work arrangement, according to representatives for the firms.

For highly skilled, technical workers focusing on specific projects, full remote work has been successful, said George Wilbanks, managing partner at **Wilbanks Partners**, an executive headhunter.

"If you're a salesperson, and you need to build trust with your clients, can you do it all by phone and video sitting in Honolulu?" he said. "Probably not. You probably have to have lunch with them sometime." Same goes for senior managers, he added.

Firms may use a different calculus to decide whether new employees can have flexibility, said Justine Phoenix, vice president and head of the Diversity Project at **Nicsa**, an asset management trade association.

“Would I be better off in the office, or is remote accepted? Is it accepted or will I be one of the few that’s remote?” Phoenix said new employees may wonder. “Will I feel like I’ve missed out on something if I’m not in the office? Or does it really matter because I want to make remote work?”

Some firms, like TIAA, plan to continue remotely recruiting, hiring and onboarding new staffers, even as their offices reopen, a spokesperson said.

AllianceBernstein offers prospective employees the option of in-person or remote interviews, a company spokesperson said, but the firm believes it is important for candidates to come into the office prior to deciding whether to accept a job there.

However, as the industry emerges from the pandemic, more employees seek hybrid or full-remote work, leaving firms that require full in-person work at a hiring disadvantage, said Dimitri Mastrocola, a partner at **Major, Lindsey & Africa**, a recruiting agency.

“It’s definitely something more and more hires are asking about, and it certainly factors into their decision-making process in whether they actually pursue that opportunity,” Mastrocola said.

About one in four clients highly prioritize hybrid work, Mastrocola estimated, and they may even reconsider applying for a job if it doesn’t offer such flexibility.

Mastrocola recruits for in-house legal professionals, and mid-level workers in that field generally prioritize hybrid work, he said. Chief legal officers and general counsels, meanwhile, prefer to get face-to-face time with other executives.

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Prior to the pandemic, hybrid work was a “unicorn situation” for employees, Mastrocola added. Now, hybrid work has become the default or strong preference.

“The firms that are indicating flexibility ... are already experiencing enormous advantages in recruiting against the peers that aren’t doing that,” Wilbanks said. “Candidates are now self-selecting away” from firms that want all their workers to be in the office post-pandemic, he

Firms that already mandate in-office work may be pushing employees to search for employers more flexible, said Ruth Hunt, a principal at **Buck**, a human resources consultancy.

Executives have demanded remote or hybrid work long before the pandemic and have in some cases negotiated to receive it, Wilbanks said. Roughly 75% of firms that were fully in office prior to the pandemic allowed their executives to spend some time working out of the office, he added.

But now, executives value hybrid work, and some say would even trade as much as 30% of their total compensation for it, Wilbanks said.

Representatives at AllianceBernstein, Fidelity or Ninety One have not heard of employees seeking lowered salaries or worse benefits in exchange for hybrid work, and neither has Mastrocola.

In hiring, candidates are willing to make certain concessions elsewhere to allow a 100% remote option, said Brian Porter, a managing partner at **Charles Sterling Group**, a financial services industry headhunter.

"Where company[ies]/candidate[s] differ are that companies are resistant to workers operating 100% remote," Porter said. "The majority of financial companies are still looking for workers to be in the office at least a few days a week. Most will require this come September, with a few being more conservative and looking to later in the year or beginning of next year to be a requirement."

Some 75% of surveyed office workers in the United Kingdom would accept a 20% pay cut in exchange for fully remote work, according to a January survey conducted by **Citrix**.

Some conversations around hiring fully remote workers have factored in cost-of-living expenses, as well as tax burdens, said Todd Sirras, managing director of **Semler Brossy**, an executive compensation consultancy.

"I would expect if you're hiring somebody who is fully remote for a role in Manhattan, and they're working from home in Westchester County versus someone who is working from home in Lawrence, Kansas, I would imagine that there are some cost-of-living differentials," Mastrocola said.

Firms that don't offer hybrid work will have to reconsider in order to remain competitive, Mastrocola said.

"They're going to listen to the feedback from their current employees, who may walk out the door," Hunt said. "And they're going to hear it from the expectations from the people that they're hiring."

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