Only a Matter of Time? Fund Pros Fear 'Return-to-Office Creep'

Hybrid work arrangements have an uncertain future, a workplace consultant and researcher said. "We literally do not know if hybrid will be a thing forever."

By Beagan Wilcox Volz | March 18, 2024

Several large financial services firms in recent months increased the number of days employees must work in the office, including **Charles Schwab**, **Fidelity**, **John Hancock** and **Principal**.

This has sparked concerns among some employees that the increased in-office requirements represent a step toward a blanket mandate that they return to work in office full time.

"One of my first thoughts when the email came out announcing [return to office] was, 'Wonder how long before it's five days back in office,'" an individual wrote this month on an online job forum about Schwab.

That person's identity couldn't be determined.

As of January, most Schwab employees have been required to work in the office three or four days per week, depending on their role, up from two days previously.

The firm communicated the changes to employees in June, a company spokesperson said.

Schwab employees also have the option to work from home for four nonconsecutive weeks each year, the firm's website states.

New Schwab employees must work four days a week from the office for the first six months of their tenure.

"We have designed one of the more flexible programs in our industry," the spokesperson said. "About 20% of our employees are fully remote."

The Schwab spokesperson declined to comment about whether the requirements for in-office work will be in place indefinitely.

The Covid-19 pandemic and the sudden shift in March 2020 to mostly remote work for many fund industry workers led to changing attitudes and expectations around where work is done and work-life balance.

A little more than a third of 700 financial services executives surveyed last April by **Deloitte** said they work in the office three or four days per week, but only about 18% of all respondents said that was their ideal setup.

Some 26% said they work in the office one or two days per week, and a quarter of all respondents said that was their preferred arrangement.

Another 18% of the Deloitte survey respondents said they work full-time in the office, though 13% said that is the situation they most want.

About 5% said they work fully remote, and 8% said that is their ideal scenario.

A lot has changed in the year since Deloitte surveyed industry employees, however.

In May, U.S. officials declared an end to the Covid-19 public health emergency, and since then many asset managers – and firms of all stripes – have increased requirements for employees' in-office time.

Principal, for example, last August said that employees within 30 miles of its Des Moines, Iowa, headquarters or Charlotte, North Carolina, hub would be required to spend three days per week in the company's offices, starting in November. They previously went to the office one day per week.

Fidelity last month said that in September employees will be required to spend two assigned weeks of each month in the office compared with one previously.

Also last month, **John Hancock** informed employees that in April they must work in the office three days per week, up from two. In addition, hybrid employees will be permitted to work remotely one week each quarter.

Spokespeople at Principal, Fidelity and John Hancock didn't respond to requests for comment about whether these are permanent policies or whether the firms plan to increase the required number of in-office days.

Employees with hybrid arrangements are right to be worried about their futures, said **Heidi Gardner**, a Harvard Law School professor who researches workplace collaboration and consults on the topic.

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Company leaders are "being honest in keeping the uncertainty alive, because the uncertainty is real," she said.

"We literally do not know if hybrid will be a thing forever," Gardner said.

The fluid situation for workplace situations is a "massive workplace experiment," resulting from the pandemic, she said.

As the return-to-office push intensified over the past year, some financial services employees quit, because they wanted to keep their relatively newfound increased flexibility, said **Jeanne Branthover**, managing partner and head of the firm's global financial services practice.

Employees are now less likely to take that step, because they see that another company to which they move could likewise increase the mandate, she said.

Still, leaders who believe more time in the office is best for the company are nonetheless concerned about making the wrong decision with respect to office requirements and possibly alienating employees, Branthover said.

Some seek to allow for flexibility even within the parameters of more required office time, she said.

State Street in November moved from requiring employees to work in the office two days per week to four, but "employees have flexibility and are encouraged to work with their managers on the specific days each week they work in the office," a company spokesperson said.

The spokesperson declined to comment about whether the four-day in-office policy is permanent.

There is research to support the concept that companies and employees benefit from spending more time in the office. But there is also research that shows hybrid and remote arrangements provide benefits to companies and employees, as well.

The debate over the best approach to time in the office isn't about productivity, Gardner said.

"Even if productivity is high in the near term, there's very real and compelling evidence that in the longer run, people are missing significant parts of professional development and the necessary building blocks for career advancement and success when they are not co-located with people who are more experienced than them," she said.