How the Past of Outsourcing and Offshoring is the Future of Post-Pandemic Remote Work: A Typology, a Model, and a Review

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Abstract
Information and communication technology has challenged assumptions about the capacity to organize work outside of existing organizational and geographical boundaries. A typology of non-traditional work environments links remote work to offshoring, outsourcing, virtual companies, and platforms via three questions raised by new technology. A model illustrates how technology serves as a proximate cause for a new social contract reached through bargaining, and how external shocks such as the COVID-19 pandemic, the institutional environment, and limitations in practice influence how technology changes the organization of work. A historical metaphor illustrates the general features of the model, and a review of the outsourcing and offshoring literature provides instructive examples of how features of the model influence the future of post-pandemic remote work.

Keywords: communication technology, institutional change, offshoring, outsourcing, remote work.

1. Introduction

Information and communication technology enabled a wide array of jobs to be done anywhere in the world for decades, and yet in 2004, only 2.5% of U.S. workers were paid to work from home (BLS, 2005). In the months after the COVID-19 pandemic, the peak availability of remote work arrangements in the United States increased such that 38% worked at home for pay in May 2020; a year later, remote this declined to 18% (BLS, 2021). The limited utilization of remote work arrangements prior to COVID-19, and surges in its use during the pandemic, beg the question of how technology transforms the organization of work. If technological advances drive changes in work organization, then what took so long and what will come next: a reversion to the traditional workplace, or a work from anywhere future?

Like remote work, outsourcing and offshoring are information-technology enabled innovations that changed existing organizational and geographical boundaries and were once prophesied to be the future of work. Workplace transformation is not, however, a part of "historical progress," a "collective and consensual quest for higher levels of efficiency" or an effort to "[economize] on transaction costs" (Streeck 2009). Rather, alternatives to the traditional office or factory are connected by a common set of questions raised by technology, and earlier episodes of offshoring and outsourcing illustrate the institutional, contingent, and political processes that determine the future of work.

This paper develops an explanation of work organization rooted in social contracts, embedded in employment relationships, that settle who is to do what and when, how they are to be monitored and paid, and who is in charge. Focusing on the adoption of remote work and historical examples, a model illustrates how *bargaining processes* influence the adoption of

technology. The key outcome is a new and largely implicit *social contract* that settles the rights and obligations of workers, managers, and organizations into a stable equilibrium. Growing dissatisfaction with the status quo and *external shocks* (such as pandemics) lead to changes in the existing organization of work. The *institutional environment*, including the relative power of workers and managers, influences bargaining over the future social contract. *Limitations in practice* such as employee and managerial preferences and capabilities also have an impact.

The model provides insights on the processes through which new technology changes the organization of work. The invention of the factory and the development of job-control unionism and the New Deal Industrial Relations System serve as a historical illustration of the general insights. The model builds upon theories of institutions, bargaining, and social contracts. The application to remote work draws from reviews of the literature on offshoring (Mihalache and Mihalache, 2016; Schmeisser, 2013) outsourcing (Hätönen and Eriksson, 2009) and offshore outsourcing (Javalgi, Dixit, and Scherer, 2009; Norlander et al., 2015).

Section 2 introduces a typology of alternatives to the traditional workplace influenced by three questions raised by technology. Section 3 introduces a theoretical model illustrating how technologies are incorporated into work arrangements. Section 4 provides a review of earlier literature on offshoring and outsourcing, which gives clues as to the extent to which work *will* be done at a distance post-pandemic, now that we know from the pandemic what *can* be done at a distance.

2. A Typology of Non-Traditional Work Environments

Information and communications technologies raise three questions for the traditional organization of work. The questions are raised at the level of any given work task. Answers to each question will lead to alternative configurations of non-traditional work environments:

- Can the task be done by another organization? (outsourcing)

- Can the task be done offshore? (offshoring)

- Can the task be done off premises? (remote work)

In Figure 1, we label the "traditional workplace" as one where the answer to all three above questions is "no." In other words, a workplace where the workers are together in the same place working as employees for the same organization, as in a factory or an office building. We label as "onsite outsourcing" a workplace where the task is done on-site by another organization, for example building cleaning contractors (Erickson et al., 2002). "Offshore outsourcing" is work done by another organization offshore, but not remotely, for example, the Infosys campuses in India. "Captive onsite offshoring" is work done offshore within an organization, but not remotely, e.g., when an organization has sites in different countries.

Figure 1. The Four Quadrants of Offshoring and Outsourcing
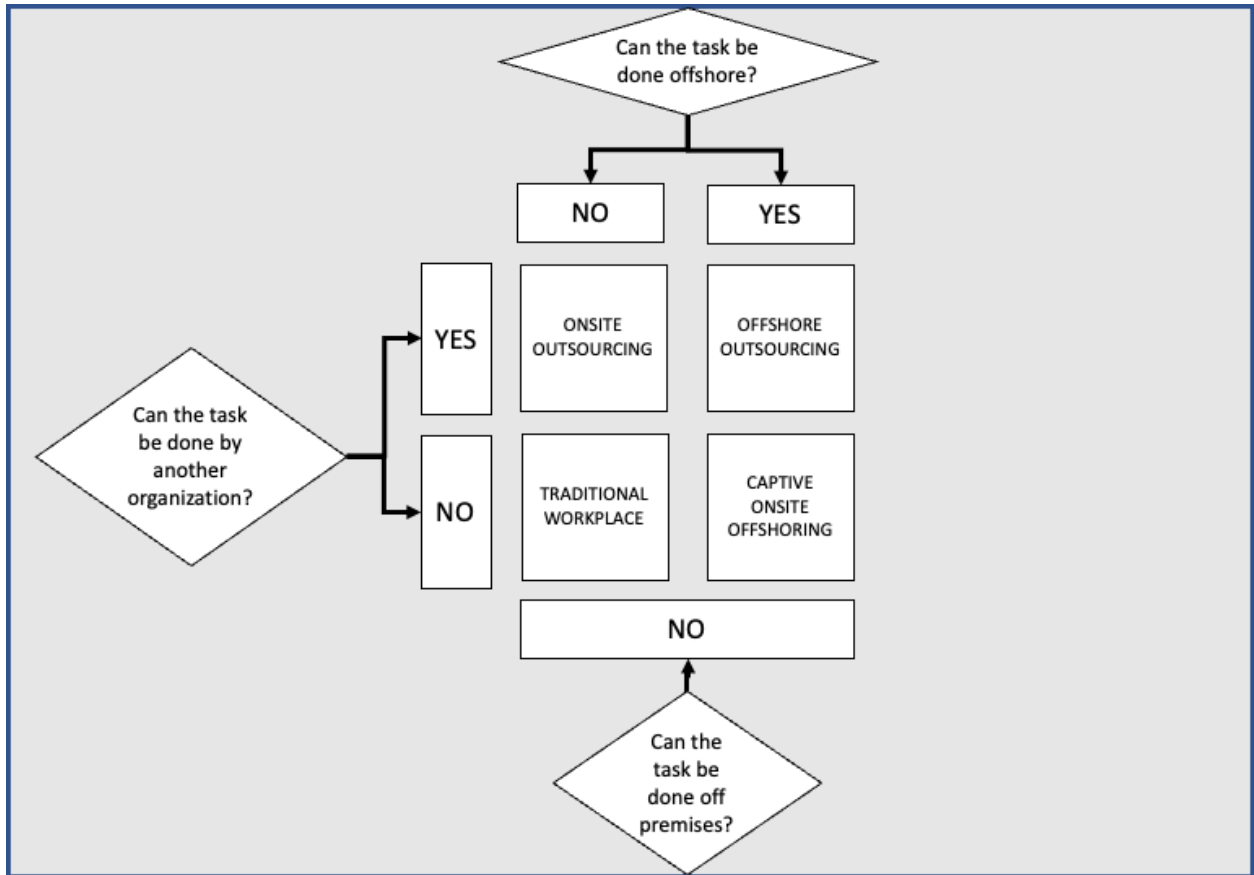
As in Figure 1, previous research contrasted outsourcing (within organization / outsourced) and offshoring (home country / foreign country) using a two-by-two table to conceptualize the globalization of services work (Eden, 2005, Dossani and Kenney, 2007, Contractor et al. 2010). With new technology, organizations faced three new choices or "quadrants" of outsourcing and offshoring, and could adopt a non-traditional structure involving offshoring, outsourcing, or both. The four-quadrant framework recognized that decisions to outsource and offshore were linked with one another and with business strategy (Mudambi and Venzin, 2010). Logically, they are similar: outsourcing involves the disaggregation of work once entirely inside the organization, and offshoring work into global value chains opens the door to comparative advantages (Mudambi and Venzin, 2010). Strategic decisions to outsource could be undertaken

simultaneously with decisions to offshore (Rugman and Verbeke, 2001), and logically should be (Contractor et al, 2010).

As depicted in Figure 1, the tacit assumption about remote work and its connection to offshoring and outsourcing was that while technology enabled work to be done at a distance and outside of the organization, it would still be done in an office or factory. The question of remote work was more often discussed in the context of flexible work arrangements and work-life balance. Still, these are conceptually linked. For example, Blinder (2006) identified offshorable jobs as those that could be done at a distance while keeping quality intact, with a methodology similar to the one used during COVID to identify occupations that are candidates for remote work (Dingel and Neiman, 2020). Remote work was not seen as part of strategic employment relations choices, and organizations and scholars largely did not pair the remote work decision with the offshoring and outsourcing decisions.

2.1. Emerging alternative work environments

Figure 2 shifts the typology from four quadrants to eight quadrants by adding a third (remote) dimension. At the extreme opposite of the traditional workplace is "globally distributed platform work" where the answer to all three questions posed above and in the figure is "yes" – examples here include situations where organizations connect with non-employee workers in far off places, through platforms such as Uber, Mturk, Gigster, Upwork, etc. "Remote outsourcing" occurs when tasks are done by employees working remotely and off-site that are managed by another organization. An example could be an outsourced call center that hires remote call center operators domestically. A "remote workplace" is where tasks are done offsite, but within an organization and country; for example, much of the work that has

occurred from home by employees during the pandemic. Finally, "virtual companies" refers to

work done by employees within an organization but anywhere – in locations that are both off-

site and off-shore. In this typology, remote work, offshoring, outsourcing, platforms, and virtual

companies are linked by the questions raised by technology.

Figure 2. A Typology of Non-Traditional Work Environments
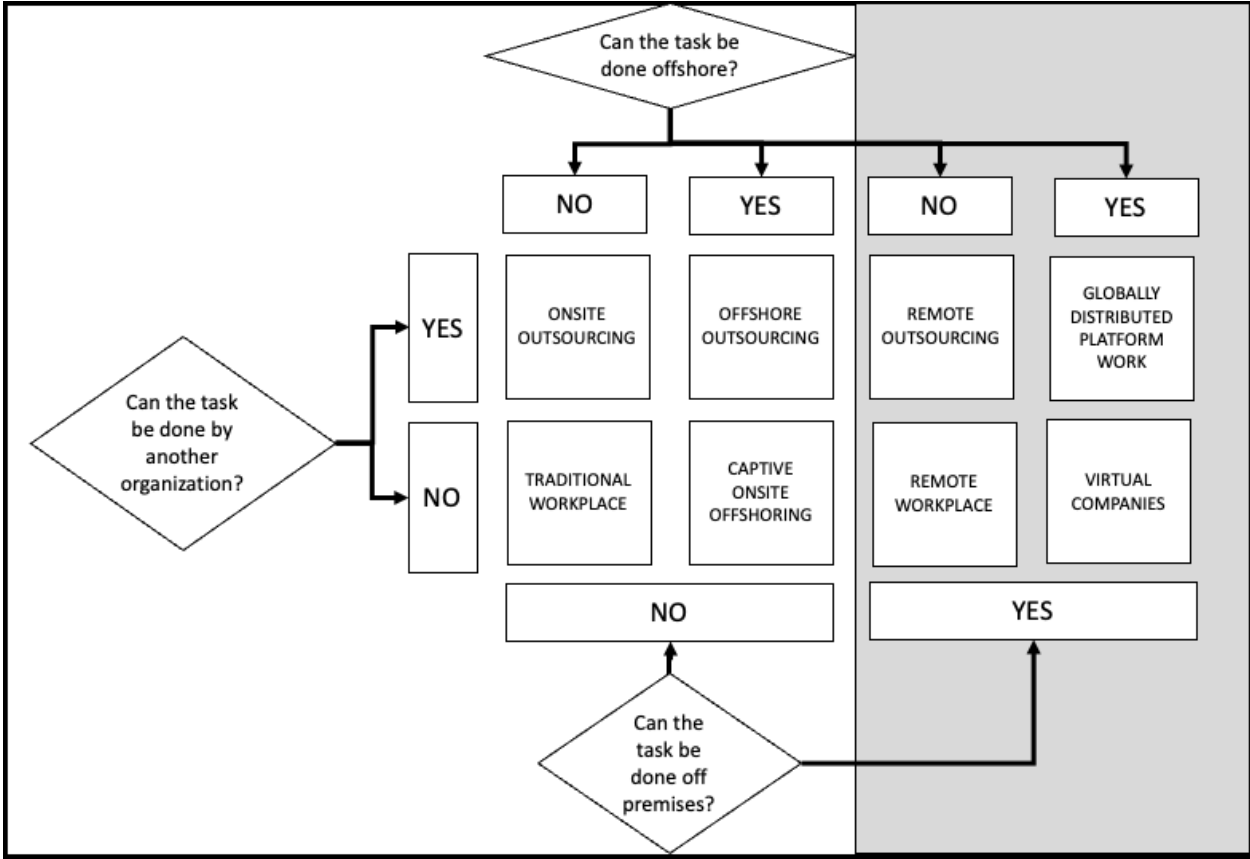
## 2.2. Information Communication Technology and Its Impact on Work

The role of information and communication technology in pushing trends of

outsourcing, offshoring, virtual companies, platform work, and remote work has been argued in

piecemeal and in broad strokes. The typology above describes eight alternative work

environments as different responses to a set of strategic questions raised by technology,

offering a simple framework. What then explains how a particular non-traditional outcome

emerges? The following section addresses this question with a theoretical model, a historical

parallel, and a description of the current situation with respect to remote work.

3. A Model of How Technology Influences the Organization of Work

Figure 3A illustrates how technology leads to changes in the organization of work

through broadly defined (and often implicit) bargaining between capital, labor, and

government. External shocks, limitations in practice, and the institutional environment

influence how the bargaining processes change the organization of work.

Figure 3A. A Model of the Impact of Technological Changes on the Organization of Work
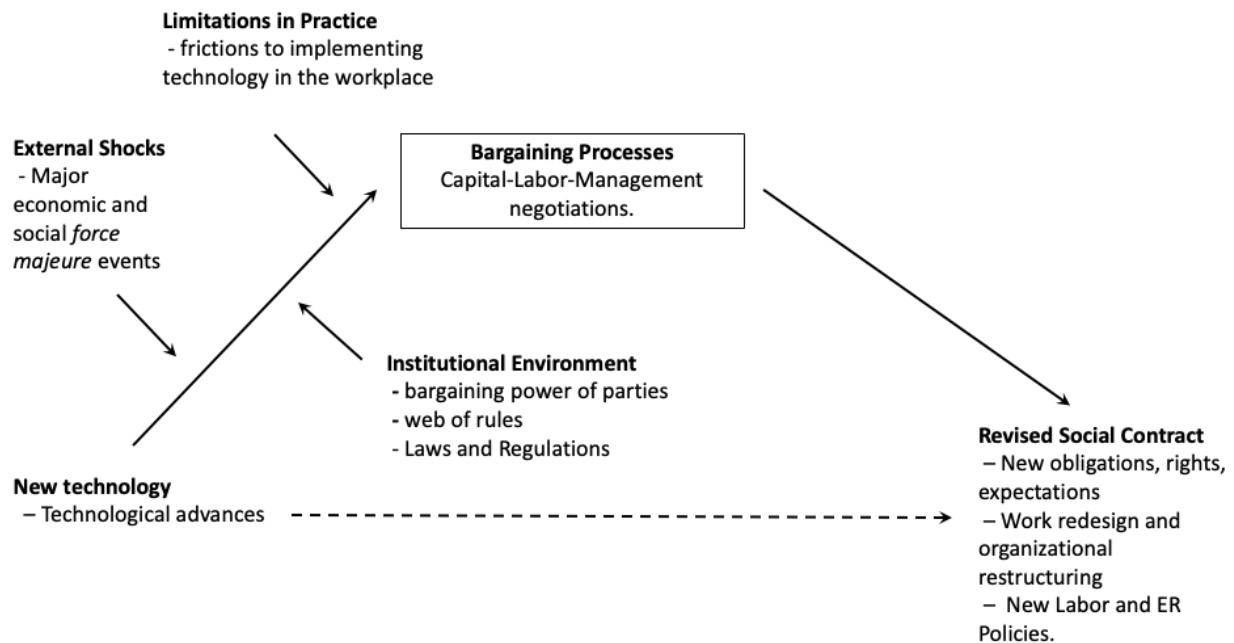
3.1 A Brief Description of the Model

3.1.1. A process of institutional change through bargaining

In between a new technology and a new equilibrium of work organization, growing

dissatisfaction by one or more parties and external shocks in the form of major economic or

social *force majeure* events, such as depressions, wars, and pandemics, lead to breaks in existing practices and bargaining over what comes next. Institutions of industrial relations such as collective bargaining that include formal worker representation, unions, contracts and codetermination are part of the institutional environment, but bargaining is carried out within a broader institutional environment or bargaining system (Doellgast and Benassi, 2020). Capital-labor-government-management negotiations ("bargaining processes" at the top and center of the figure) determine a new social contract.

3.1.2 Factors that influence the bargaining process

Elements of the institutional environment such as existing laws, customs and regulations and the bargaining power of workers and managers influence the negotiations. The environment is unpredictable. For example, bargaining power itself is dynamically shaped by new developments in the environment (Bacharach and Lawler, 1980). Analyzing the institutional environment is "specified with respect to time and place," is "action-based," and focused on a "conflictual interplay between the individual pursuit of economic advantage and collective political efforts at restoring and protecting social stability" (Streeck, 2009).

Limitations in practice such as worker and manager resistance to technological change influence the negotiations as well. New technologies often have pre-requisites for success, such as requiring a trained workforce. The role of knowledge-sharing organizations and social networks in the transmission of new workplace practices highlights the cultural embeddedness of the adoption of new technology at work (Erickson and Jacoby, 2003). Status quo arrangements have staying power, adoption is often path dependent upon prior choices, and employee and management costs and fears in switching technology.

3.1.3 Modifications to social contracts

As depicted at the bottom right of Figure 3A, the outcome of the bargaining process is labeled a "revised social contract" that specifics the obligations of each party in an employment relationship, often implicitly, and is a means of reducing conflict. The social contract is documented in national laws, employee handbooks, and contracts, and is a complex "web of rules" that are commonly unspoken assumptions and tacit agreements. It involves implicit understandings in a workplace of the content of the rules, who does what, what is owed, what the rights and obligations of parties such as employees and managers are, who has what authority under the rules, and how new rules can be established (Lipsky, Seeber, and Fincher, 2003). This could also be called "changes in the organization of work," "the future of work" or the "new equilibrium." Social contracts exist at multiple levels of analysis (nations or organizations, e.g.).

Once a new social contract is reached, rules and lines of authority are clear, but the resulting arrangement is an ever-evolving institutionalized social order (Streeck, 2009). New technology and external shocks can disrupt the operation of the existing workplace social contract, but only renegotiation can provide a stable revised social contract.

3.2. Historical Metaphor: The New Deal IR System

A metaphor for the potential transformation of the workplace from communication technology and the pandemic is the development of the "New Deal Industrial Relations System" in the 1930s and 1940s in response to the innovation of Taylorism/Fordism and the division of labor in the modern industrial factory. Managerial authority and control in the first half of the 20th Century was paramount (Jacoby, 2004). The adoption of the Fordist/Taylorist division of

labor increased dissatisfaction from workers, and frequent conflict, sometimes violent, drew scrutiny from the government and ultimately contributed to the overhaul of the existing social contract. Figure 3B presents the simple model above using this context. In a bargaining process that took place between roughly 1932 and 1947, the outcome was a new social contract that provided a stable structure of work organization for the following decades.

The Taylorist/Fordist division of labor and factory technology enabled a new mode of production, a movement away from the craft model of production and toward mass production of ever more standardized products at an ever lower per-unit cost with ever more deskilled labor (Piore and Sabel, 1986). Taylorism/Fordism promised management increased productivity, but also met with unprecedented worker resistance. The actual organization of work and employment relations that resulted occurred through capital-labor-government negotiations, influenced by the existing forms of capitalism and the impacts of force majeure events including the Great Depression and the world wars. The wars may be thought of as a parallel to the pandemic – extreme events that showed what *could* be done by adopting factory and Taylorist/Fordist methods, but not what *would* emerge after the crises.
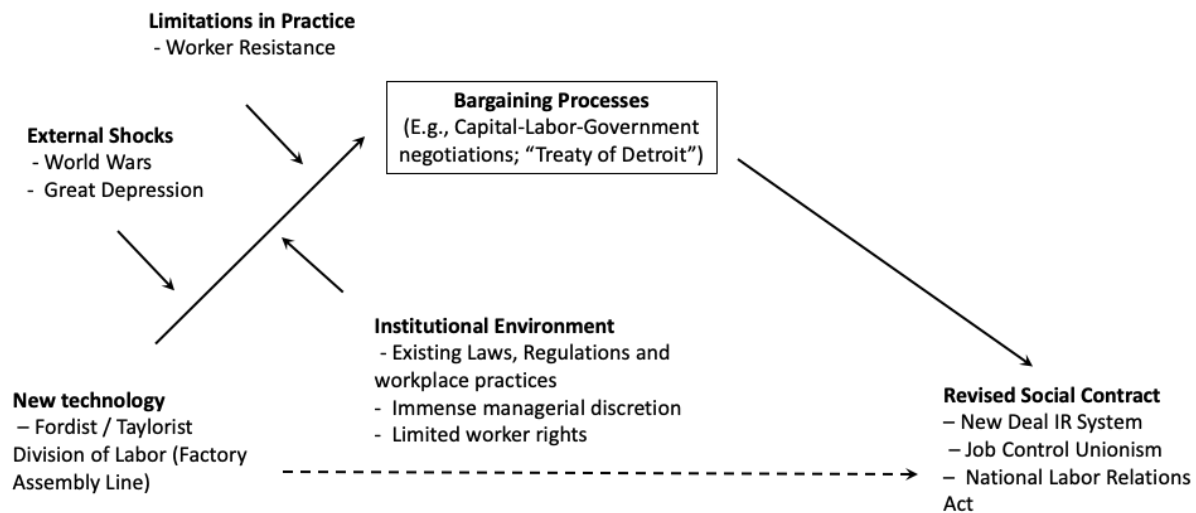
In negotiations such as the "Treaty of Detroit," a primary concern of labor's was to limit managerial discretion over terms and conditions of employment, including job duties. A primary concern of government and management was to reduce conflict and stabilize production. Tri-partite negotiations developed consensus around grievance and alternative dispute resolution procedures that became widespread (Lipsky, Fincher, and Seeber, 2003). The societally negotiated outcome was the U.S. style "job control unionism" that attached wages to jobs, and allocated jobs and layoff/recall primarily via seniority, thus eliminating a

great amount of managerial discretion in determining both wages and job allocations (for example, Katz, 1985). Though labor was powerful enough for a time to threaten managerial prerogatives in a wide array of areas, unions challenged managers on "where workers were to do work" and "what they're to do," but did not fundamentally disturb the organization of firms (Chamberlain, 1951; 1963).

Wages and labor allocation could have been determined by many possible factors, such as skill or competencies or pure seniority or managerial discretion, but instead the "job" became the organizing concept for wage bargaining, and seniority became the rule for assignment to jobs, layoffs, and recall. In the non-union workplace, bureaucratic HR operations curtailed managerial authority and implemented grievance procedures, standard pay scales, job descriptions, seniority, and other union-like practices (Jacoby, 2004).

The political environment drove this societal negotiation and the outcome beyond any purely technological or efficiency logic. But there were also alternative models developed under different circumstances in other parts of the industrialized world (the Japanese and Swedish models of automobile production, for example). In other words, the technological change was not purely deterministic, but was rather reflected through the lens of external shocks, limitations in practice, and the institutional environment for the determination of the revised social contract and the new organization of the workplace in the New Deal IR System.

Figure 3B. Taylorism/Fordism & The New Deal Industrial Relations System

Limitations in Practice
- Worker Resistance

External Shocks
- World Wars
- Great Depression

New technology
– Fordist / Taylorist Division of Labor (Factory Assembly Line)

Bargaining Processes
(E.g., Capital-Labor-Government negotiations; "Treaty of Detroit")

Institutional Environment
- Existing Laws, Regulations and workplace practices
- Immense managerial discretion
- Limited worker rights

Revised Social Contract
– New Deal IR System
– Job Control Unionism
– National Labor Relations Act

3.3. The current situation

In the current situation, the technological change involves the advance in remote communications potential and the impetus for change is varied dissatisfaction with the status quo: companies seeking lower cost labor and facing new global competition; workers seeking greater flexibility in working arrangements; and the external shock of the pandemic. Figure 3C summarizes the model as applied to outsourcing, offshoring, and remote work environments.

The purely technological or efficiency-based logic might suggest that new technology would lead to a wholesale movement toward outsourced, offshore, and remote work, but events such as the pandemic, and institutional and societal influences shape the negotiations among capital, labor and government that determine social contracts at work, and will determine how work itself will be organized once the immediate crisis ends.

The process is taking place through negotiations happening now, including the development of laws regarding gig work at a societal level, and the development of new procedures at an organizational level. A revised social contract must be negotiated: although technology enables

remote work, a new company policy, for example, establishes the nature of remote work after

the COVID-19 pandemic, and spells out the rights and obligations for workers and managers. A

collective bargaining agreement could cement a deal where unions exist. A remote employee

who is called back to the office can reject the employer's offered working conditions. Employers

can revise their employment offers if worker preferences are changing.

Figure 3C. A Model of the Impact of Technological Changes on the Organization of Work:

Communication Technology & Outsourcing/Offshoring/Remote Work
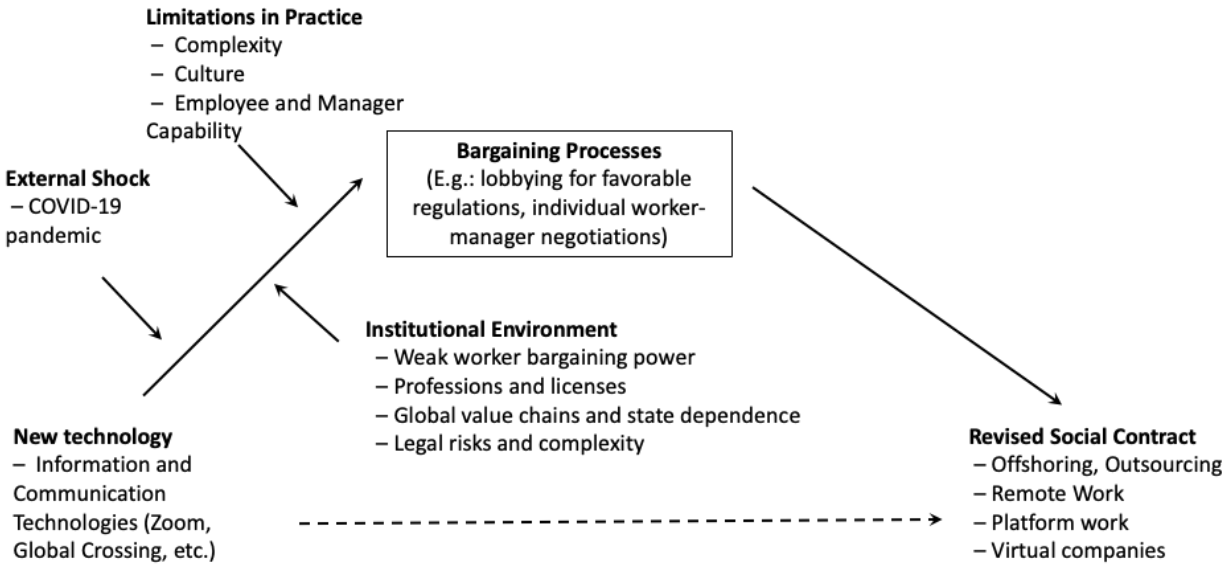
4. Lessons from offshoring and outsourcing: Bargaining over the Future of Work

With no abrupt change in technology, fear of a deadly pandemic led society – beginning

with calls from the public and including government mandates – to sanction widespread work

from home in March 2020. The *force majeure* broke existing arrangements and understandings

of the necessity of on-premises work, but what will the post-pandemic workplace look like?

In the historical example above, the path from the division of labor to job control unionism

was influenced by a set of institutional configurations that is far different from the relevant set

of institutions shaping the potential new work from home equilibrium. In this section, we describe the institutional environment and limitations in practice of outsourcing and offshoring, and what these might tell us about the potential lasting changes in the organization of work enabled by remote communication technology.

4.1 The institutional environment

Outsourcing and offshoring became prominent in the 1990s and early 2000s, at a time of weakness for U.S. labor, when monopsony power was growing and worker power was ebbing (Erickson and Mitchell, 2007; Stansbury and Summers, 2020). Outsourcing allows firms with buyer power in product markets to press suppliers to lower wages (Dube and Kaplan, 2010; Wilmers, 2018). Offshoring allows an influx of new workers who can compete with incumbent workers, benefitting consumers, employers, and owners of capital, at the expense of incumbent employees attached to a specific labor market (Bound, Khanna, Morales, 2018). Growing firm power enables further work reorganization and taskification of jobs globally (Katz and Darbishire, 2018). Outsourcing, offshoring and remote work all use technologies that Crouch (2018) observes "intensified control that facilitates the current trend to self-employment." Platforms like Uber that enable remote work increase control over drivers (Norlander et al., 2021).

Lahiri and Kedia (2011) find that offshore outsourcing emerges through organizational imperatives and institutional features of the environment, and Lewin and Volberda (2011) emphasize the idiosyncratic co-evolution of offshore outsourcing based on management intention, knowledge, and institutional forces. As discussed below, the specific elements and

actors in the institutional environment offer clues about the nature of remote work post-pandemic.

4.1.1. Professions and licenses

Powerful actors such as professional associations can lobby the state and control who may lawfully practice an occupation (Freidson, 1974). Such organizations retain control over how an occupation is practiced, and influence or control outsourcing and offshoring decisions and can often raise strong barriers to changing organizational structure or work process (Yu and Levy, 2010). New national and international trade and professional associations also emerged as powerful lobbying actors seeking to influence state regulation (Kshetri and Dholakia, 2009).

In the case of medical services such as reading radiology exam reports, much of the work can be done anywhere. However, Medicare pays only for services performed in the U.S. Outsourcing is permitted through "nighthawk" services that operate at an efficiency of scale, providing remote locations and night and weekend services as needed. However, under licensing requirements, a local radiologist in state must still review the "nighthawk" service reports. Attempts to offshore the work of nighthawk services to India were largely unsuccessful, despite very high wages and seemingly rote work (Yu and Levy, 2010). Teletherapy provides another example of the influence of licensing. States limit the practice of therapy to licensed therapists within the state, the absence of national licensing limits the scope for remote work, and new systems and team structures must be instituted to increase reach and uptake of teletherapy (Taylor, Fitzsimmons-Craft, Graham, 2020).

A hypothesis that emerges is that work from home adoption will vary with the extent of licensing requirements. While institutions can change and actors lobby for favorable regulation,

a main function of licensure is to restrict the supply of labor to those with professional competence. For remote work to be adopted in settings such as teletherapy, evaluation and ensuring quality in a remote licensing regime will likely require new laws and professional procedures and policies, i.e., a renegotiation of social contracts.

4.1.2 Global value chains and state dependence

A catalyst for offshoring was a global "race for talent," and associated fear that organizations would be threatened by the emergence of new, lower cost competitors from abroad if they did not offshore and adopt more global hiring practices (Lewin, Massini, and Peeters, 2009). Organizations needed not only talent, but flexibility, and outsourcing was seen as necessary to compete. Beyond national regulations, multinational and other organizations' practices are influenced by both the home country institutions and labor relations practices of the buyers in their supply chains (Lakhani, Kuruvilla, and Avgar, 2013). With increasingly complex global supply chains for services and manufacturing products, workplace policies often spread through the actions of leading firms in the supply chain.

The government has power as a large buyer to set working conditions, and in the U.S., the government uses this power to require contractors to pay prevailing wages, and in recent years and some cases, to source locally. The U.S. government under different administrations has given the "green light" or the "red light" to organizations to engage in outsourcing and offshoring. Exemptions under Republican administrations, for example, lift requirements that outsourced subcontractors be paid the prevailing wage. Under the Trump administration, an executive order promoted stricter enforcement of existing "Buy American" laws with an intention to limit offshoring. The more dependent an organization is on the government, the

more responsive it is to government mandates (Salancik, 1979). As a large direct employer as well, the government is a highly visible actor and by its own behavior, has power to set benchmarks for employment policies.

We hypothesize that the extent of dependence on the government, as well as the soft influence of government and other lead firm HR and labor practices as a role model for "best practices" will shape bargaining over working from home.

4.1.3. Legal risks and complexity

Offshoring, outsourcing, and remote work pose different risks from the traditional work environment and variety of legal considerations shape decisions to offshore or outsource. Intellectual property rights protections in the home country and in the supplier country influence offshoring decisions (Kshetri, 2007; Martínez-Noya and García-Canal, 2011,2018). The strictness of privacy laws is negatively related to the propensity of offshoring (Kshetri, 2007). Contract enforceability in different countries also moderates the potential for offshoring (Antràs and Helpman, 2008).

Outsourcing as an employment relations strategy is often intended to reduce risk and financial liabilities related to hiring employees or directly paying independent contractors. The IT industry turned to outsourcing firms to act as employers of record following a court decision in *Vizcaino v. Microsoft* that reigned in employers' second-class treatment of flexible, non-traditional independent contractors. Subcontracting with another firm that employed these temporary workers made it lawful for leading IT companies to have a flexible workforce paid less than incumbent employees (Barley and Kunda, 2011).

For remote work, complex issues of protections for workers with disabilities, state and local taxation, and workers' compensation arise. Managing legal complexity is difficult and provides a substantial advantage to large organizations. Outsourcing and offshoring deals prioritized "large" players. Small and medium organizations largely did not have the scale or sophistication to "go global" or outsource effectively (Tambe and Hitt, 2012a, 2012b). We hypothesize that work at large organizations, and tasks involving fewer risks, are more likely to be done remotely.

4.2 Limitations in practice

Offshoring is limited by the role of tacit knowledge, and the non-routine nature of certain tasks that limit their ability to be offshored or automated (Yu and Levy, 2010; Levy & Murnane, 2004). While wages may be lower in offshore settings, productivity and quality may also be lower and for many services, productivity and quality are critical. Offshoring location depends on many non-wage factors, including common language between countries, greater investment in information and communication technology, decreased political risk, and more highly educated workers (Contractor & Mudambi, 2008). When tasks involve higher levels of skill, organizations may prefer near-shoring to offshoring to a distant location (Hahn, Bunyaratavej, and Doh, 2011).

Cultural compatibility between host and supplier country influences offshoring (Kshetri, 2007). Trade in services is more likely to occur between countries with higher institutional quality and greater cultural similarity, especially when tasks are non-routine, complex, and interaction is required (Bunyaratavej, Hahn, and Doh, 2007; Liu, Feils, and Scholnick, 2011). While cultural similarity can proxy for many different things, trust (Leamer and Storper, 2014),

and ethnic ties (Zaheer, Lamin, and Subramani, 2009; Saxenian, 2007) influence offshoring decisions.

Scholars also emphasize the productivity gains from physical co-location and proximity of workers. While offshore outsourcing developed, the offshore work environments were traditional work environments, but in a different country, adopting concepts such as the "software factory" to explain the productivity benefits of physical proximity (Cusumano, 1991).

Complex systems are involved. Using tele-therapy as an example, there are concerns with privacy, safety, training and supervision of therapists, and payment to be addressed, and new team structures proposed (Taylor, Fitzsimmons-Craft, Graham, 2020). With a thicket of complexities and regulations, the scale needed to permit the outsourcing and development of a platform for the delivery of such tele-therapy services may be difficult to reach.

Heterogeneity in business strategies also shape the ability to move work. Choice of offshoring location depends upon firm motivation for offshoring (knowledge-seeking vs. low-cost) (Martínez-Noya, García-Canal, & Guillen, 2012). Offshore outsourcing organizations' global recruitment is associated with cost-reduction strategy, while universities and organizations in other industries recruitment is associated with increased investment in research (Norlander and Varma, 2019).

In practice, there are many limitations to the ability of a job to be done from home, including worker characteristics. For example, workers ages 25-54 are more likely to work remotely than younger or older workers, reflecting possible different preferences or productivity levels while working from home (Dey et al., 2020). Managerial resistance and skill matter: a central concern when allowing work to be done remotely is managerial control

(Medcof, 2001). In offshore outsourcing, middle management is intensively involved in both supplier and lead firms, being the "glue" by managing virtual and in-person teams in each location and coordinating work in both places (Wilcocks and Griffiths, 2010).

Inside an organization, flexible work arrangement often requires greater planning and structure, including standardizing work (Briscoe, 2007). A study of the Belgian public sector finds that predictability and bureaucracy reinforce the use of telework, as do managerial and employee skill (Taskin and Edwards, 2007). Many US organizations with flexible work arrangements before COVID had policies that permitted managerial discretion to determine whether a particular employee could work from home, rather than basing decisions on need or through a process (Kelly and Kalev, 2006). Such "formalized discretion" requiring individualized bargaining between employee and manager is closely related to the inequality and low utilization of work from home.

A key conceptual shift for managers is to shift from a focus on time to a focus on results (Cascio, 2000). Trust must be established between worker and manager, and managers are often lacking knowledge of how to plan and organize activities or supervise remote workers (Green and Roberts, 2010). Hypotheses that emerge are that educational requirements as well as organizational, industry, workforce and managerial characteristics will influence the adoption of the new technology.

6. Conclusion

Alternative work organization is connected to fundamental questions raised by new technologies and can be viewed in a simple typology. While various innovations have been prophesied to foretell a new equilibrium in the organization of work, *external shocks*, the

institutional environment, and *limitations in practice* influence the *bargaining process* over

whether and how these will be implemented, leading to a new *social contract* that stabilizes the

workplace understanding of roles and responsibilities. Just as offshoring and outsourcing ate

away at the core employment of the organization, remote work could have a similar effect in

many countries, although substantial limitations in practice and institutional barriers continue

to influence these outcomes.

Persistent national differences in industrial relations shape workplace outcomes (Thelen,

2004; Katz and Darbishire, 2018, Jacoby, 2018). Remote work is no different. Nordic countries

led in work from home and multi-location work arrangements prior to COVID (Ojala & Pyöriä,

2018). While the technological is the same, it is likely that countries and organizations that have

already embraced a "flexicurity" policy (Wilthagen and Tros, 2004) will be better adapted to

exploit new remote work opportunities.

The process of shifting work from on-premises to remote may involve 1) the growth of

"globally distributed platform work" that is outsourced, offshore, and off-premises, and "virtual

companies" that are offshore and are off-premises; 2) the spread of "remote workplaces"

within organizations and "remote outsourcing" beyond the organization; 3) growing

dissatisfaction from workers as needs and desires for greater flexibility and security grow; 4)

growing dissatisfaction from employers and governments with the instability emerging from a

lack of structure around remote work; and 5) calls for changes in labor and employment

relations policies as workers seek security, employers seek stable structures to manage and

retain control over the remote workplace, and countries grapple with the implications of

globally distributed platform work and virtual companies. A new social contract will be needed

to regulate these potential developments and enable a new equilibrium in the organization of

work.

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