Meeting Critical Employee Needs to Re-Engage and Retain Today's Workforce

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For many people and organizations, the pandemic's disruption was an awakening. The convergence of a tight job market, rapidly advancing digital communication and automation, and the emergency measures stemming from Covid-19 prompted employees at all levels to increasingly reevaluate their relationship with work. Many now place greater priority on mental health, work-life balance, and job satisfaction over job security. As a result, leaders are grappling with unprecedented and consequential questions about the future of their workplace, each with important implications for engaging and retaining their workforce.

A globally recognized leader in professional development, American Management Association (AMA) understands the importance of sustaining employee engagement in *any* work environment—whether on-site in a physical office, completely remote and virtual, or some combination of the two. In October of 2021, AMA surveyed members and seminar respondents nationwide about their level of engagement with work and the impact of recent changes they have experienced.

## Increased Productivity Doesn't Necessarily Mean Your People Are More Motivated

Based on nearly 700 responses, the findings revealed that people are now working longer hours and producing more but feel less engaged with their work and less connected to their co-workers. Two-thirds of survey respondents say their workload has increased from what it was prior to Covid-19 and the related increase in remote work, and slightly more than half say their productivity has increased as well. Yet just 27% say their motivation to deliver results for their organization has increased. In the absence of action by leadership, this combination signals a potential for burnout, and is likely one of the drivers of the record-breaking exodus that has come to be known as The Great Resignation. Better understanding the increased demands employees say they are experiencing is an important first step in determining what actions leaders can take to re-engage their talent and reduce the risk of burnout and resignation.
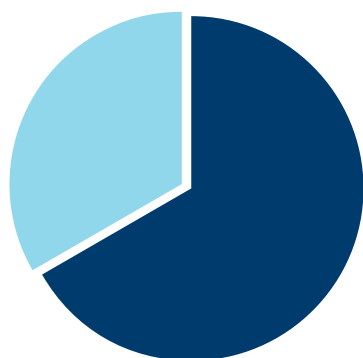
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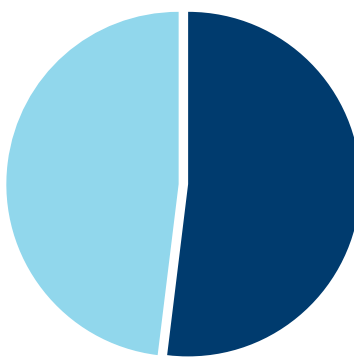
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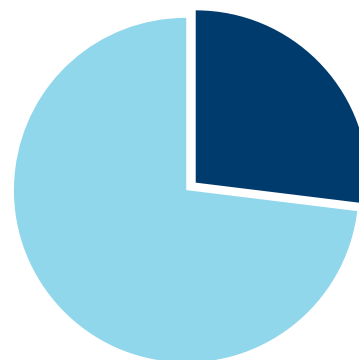
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KEY FINDING:
Employees feel the need to reskill and upskill.

Just as organizations have recognized a greater need for speed and innovative ideas to adapt to fast-changing situations, their employees—who are handling heavier workloads and the expectation to increase productivity—have recognized a need for new or enhanced skills. Specifically, more than half of respondents said their need for project management skills has increased during the pandemic. Remote work often complicated the project management process by forcing changes in communication methods. Quick check-ins for status updates that used to happen effortlessly as project team members passed each others' desks during the course of the workday now take more energy. Access to documents and resources was particularly challenging for those whose shift to remote work was sudden. Project momentum suffered when the departure of key team members happened remotely, with remaining colleagues scrambling to ensure the transfer of key information and reallocation of responsibilities. Combined, these impacts often held up projects just when organizations needed rapid progress the most, and employees felt ill-equipped to move them along.

77% of employees say they are ready to learn new skills or to completely retrain. — PwC[2]

Employees are also feeling increased pressure to deliver more innovative solutions. Sixty-six percent say their need for creativity and innovation skills has increased, reflecting an awareness that automation is changing the nature of the work that humans do, and that the race to improve products, services and business processes has never been more intense.

Upskilling employees, whether in project management, creative thinking and innovation, or other areas, is a critical need for employers. Supporting people in their pursuit of new or enhanced skills does more than make people more effective in their current roles. It also sends a signal they are valued and makes them feel more confident, which is positively associated with employee engagement.[1] A 2021 survey by PwC found that 77% of employees say they are ready to learn new skills or to completely retrain.[2] With many workers feeling their roles are under increasing pressure from automation, learning new skills isn't just a preference; people feel it is becoming a matter of survival. It's no wonder that employees who feel unsupported when it comes to building their skills are more likely to consider leaving their employers.[3] Complicating matters, many are concerned that remote and hybrid work will reduce opportunities for upskilling and career growth, a notion that leaders must move quickly to dispel.

[1] Hyland, P., Garrad, L., & Reeves, D. (2018, May 27). *Organizational confidence: the key to building a high-commitment work environment.* Mercer. Retrieved January 25, 2022, from https://www.mercer.com/our-thinking/high-commitment-work-environment.html

[2] PricewaterhouseCoopers. (2021, February). *Hopes and Fears* 2021. PwC. https://www.pwc.com/gx/en/issues/upskilling/hopes-and-fears.html

[3] Zema, M. C. C. (2021, September 13). *Research: Workforce of 2022: Reskilling, Remote and More.* Amdocs. Retrieved January 25, 2022, from https://www.amdocs.com/insights/research-workforce-2022-reskilling-remote-and-more

Leaders may want to consider:

- Formally evaluating the effects of recent events on career development opportunities: How have they impacted mentoring? Networking? Training? Cross-department exposure?

- Acknowledging those impacts and reemphasizing the organization's commitment to ongoing learning and supporting employees' career development.

- Offering resources to enable employees to pursue job-related training and develop opportunities on their own, since many are willing to take control of their own learning.

- Asking managers to develop personalized plans, especially with their top talent, to begin to make up for lost opportunities.

Dispersed Teams Impact Workplace Connections

Obviously, effectively integrating remote or hybrid work on a permanent basis is one of the top issues many leaders face, and not only in terms of its impact on talent development. The strong preference many employees have for retaining ongoing flexibility to work from home (WFH), at least some of the time, is an important consideration for leaders concerned with attracting and retaining talent. Citing benefits such as reclaiming commute time and avoiding related expenses, an improved work-life balance, fewer distractions, and the freedom to live almost anywhere, workers with skills in high demand seem unlikely to compromise. Many employers—not only small businesses but also major corporations, from Capital One to Twitter—have also come to recognize the value of offering the option to work remotely. Beyond attracting good people and keeping them happy, adopting a remote or hybrid work model can result in significant cost savings for larger companies—as much as $11,000 per year for every employee who works remotely half of the time—by reducing the money spent on rent and utilities, maintenance and cleaning services, office supplies and equipment, and food and beverages, as well as potentially lightening their tax burden.[4] Despite advantages for many employees and employers, adjusting to a more permanent remote or hybrid workplace is still presenting challenges.

4 Global Workplace Analytics. (2021, October 17). *Work-at-Home After Covid-19 - Our Forecast*. Retrieved January 24, 2022, from https://globalworkplaceanalytics.com/work-at-home-after-covid-19-our-forecast

KEY FINDING:
Workers today feel less connected to even their closest co-workers, and they overwhelmingly attribute it to the shift to a fully or partially remote workplace.

With opportunities for chance meetings in hallways and the lunchroom diminished, it might not be surprising that many people feel less connected to co-workers with whom they work infrequently. In fact, Microsoft studied its own employees and reported that the pandemic-driven shift to fully-remote work resulted in significantly less time spent collaborating with those outside of their own teams.[5] But it isn't only these loose-tie connections that seem to have been affected. In this more recent AMA survey, nearly half of respondents say they feel less connected even to the people with whom they work quite regularly. Seventy percent of that group said these weakened connections were directly due to a hybrid or remote work environment, and employees most often said the negative impact was greatest on their sense of belonging. Addressing this is particularly imperative, since recent findings by McKinsey cited "not feeling a sense of belonging" as one of the top three reasons employees are currently leaving organizations.[6] Among those who feel less connected than before, 60% also reported feeling less motivated at work, suggesting clear implications for long-term productivity.

Nearly half say they feel less connected than before and among those, 60% feel less motivated at work.

Maintaining and strengthening the connections between employees is also crucial to maximizing an organizations' collective ability to develop and implement new ideas. When they no longer work in the same building and on the same schedule, people in different teams, departments, or divisions rarely get the chance to connect on a casual basis. As a result, employees lose valuable opportunities to create bridges to co-workers outside their immediate teams, cutting them off from important sources of ideas, perspectives, and information outside their own subject area. While individuals may be less aware of this impact, research has shown that these weakening ties between teams and departments may have a negative effect on an organization's corporate culture and potential for creativity and innovation.[7]

[5] Yang, L., Holtz, D., Jaffe, S., et al. (2022). *The effects of remote work on collaboration among information workers*. Nature Human Behaviour, 6, 43–54. https://doi.org/10.1038/s41562-021-01196-4

[6] de Smet, A., Dowling, B., Mugayar-Baldocchi, M., & Schaninger, B. (2021, September 8). *'Great Attrition' or 'Great Attraction'? The Choice Is Yours*. McKinsey & Company. Retrieved January 25, 2022, from https://www.mckinsey.com/business-functions/people-and-organizational-performance/our-insights/great-attrition-or-great-attraction-the-choice-is-yours

[7] Colella, V., & Kidder, D. (2021, June 29). *Strengthening Weak Ties to Spark Innovation for the Future of Work*. Thrive Global. Retrieved January 24, 2022, from https://thriveglobal.com/stories/strengthening-weak-ties-to-spark-innovation-for-the-future-of-work/

Fortunately, there are steps leaders can take to address weakening ties, whether within or across teams.

Actions to consider include:

• Focusing on empathic leadership. The connection between employees and their managers has become more vital than ever for those spending more time working remotely. Half of employees say mentorship from their manager has become more important to them during the pandemic, according to one study.[8]

• Developing communities of practice that encourage employees to connect around common needs and interests, such as employee resource groups or affinity groups.

• Facilitating opportunities for employees to participate in projects outside of their immediate areas where their skills and knowledge can add value and support cross-functional ties.

• Offering work-sponsored social activities. In the AMA survey, those who say they now feel more connected to their co-workers were significantly more likely to report their organizations organize social activities to help maintain those relationships. This may be a missed opportunity in some organizations, since 55% of respondents say their organization does not hold social activities of any kind—in person or virtual.

• Maximizing in-person occasions. Even among organizations that intend to remain fully remote—a small minority—most make periodic in-person events part of their plan to foster a sense of connection and shared corporate culture that can be leveraged throughout the year.

Employee Engagement Must Remain a Top Priority

Fifty-nine percent of respondents said that overall employee engagement in their organization needs improvement, but only 41% say their company is focusing on initiatives to drive engagement. Understandably, enhancing employee engagement may have been set aside for other projects that seemed more urgent during the crisis. But, in light of the extremely tight labor market in many industries, a recommitment to improved employee engagement may be well worth considering.

KEY FINDING:
Many organizations could and should do more now to improve employee engagement.

The small fraction of respondents from the AMA survey—18%—who rated their organization's overall employee engagement as better than before Covid-19 report that their organizations are realizing gains more often than others in terms of motivation (68% of this group vs. 11% of all others reported increased motivation) and productivity (85% vs. 43%).

In addition, the level of employee engagement is also tightly correlated with a company's ability to attract and retain top talent. More than 50% of respondents say their organization is having difficulty both with attracting new talent and keeping good people. But the problem is reported nearly twice as often by respondents who say their organization's employee engagement suffered during the pandemic and needs to improve (62% of this group said their organizations are having difficulty recruiting new talent vs. 34% of all others).

59% say employee engagement in their organization needs improvement, but only **41**% say there are initiatives focused on doing so.

[8] Starner, T. (2021, December 7). *This is the big opportunity employers are missing out on during COVID*. HR Executive. Retrieved January 26, 2022, from https://hrexecutive.com/this-is-the-big-opportunity-employers-are-missing-out-on-during-covid/

Employees today expect ongoing efforts to improve their employee experience, whether it is related to having a safe and comfortable work environment, reliable technology, or easy access to company-sponsored benefits. Even the experience at most physical offices has been affected by the pandemic, and delivering a consistent employee experience to those working remotely has presented special challenges, some of which are overdue to be addressed in many organizations.

Leaders can begin by:

• Empathizing with each employee's needs and situation, extending flexibility and support where feasible.

• Committing to a process for continually elevating the employee experience— even in small ways.

• Recognizing people's contributions and the extraordinary effort many have put forth to help their organizations survive.

• Emphasizing the reasons employees can be proud to work for the organization, by focusing on the organization's purpose and sharing stories and examples of ways it lives by its values.

Organizations where employee engagement needs to improve report difficulty recruiting new talent almost twice as often as others: 62% vs. 34%.

The Bottom Line

The long-term effects of the global pandemic will continue to be felt in the business world and have created ongoing challenges for both employees and employers. As leaders determine the post-pandemic path for their organizations, it is prudent to include concrete steps to make their organizations more attractive to current and potential employees—and to get the best efforts of those they employ. No one size fits all, but critical themes have emerged: a focus on reskilling and upskilling, fostering a sense of connection and belonging, and revisiting employee engagement are all worthy initiatives for consideration.

For more information on how AMA can support your employee engagement initiatives, please visit us at www.amanet.org

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