

# Creating The Return To Office Value Proposition

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## Viewpoints On Remote Work

The debate of whether working remotely is productive will likely go on for some time into the future. Microsoft conducted a survey which showed 87% of employees felt they were more productive working remotely while only 12% of managers agreed with that opinion. The study went on to characterize the significant gap in opinion as "productivity paranoia".

This "productivity paranoia" may be one of the primary reasons companies are anxious regarding the continuation of employees working from home. Especially, in situations where employees are fully remote and seldom come into the office. However, not many companies are communicating loss of productivity as a factor in the request or demand to return to office.

Many leaders from various industries cite the loss of camaraderie, teamwork, sharing of ideas and the building of culture as the primary factors that influence their decisions to request or demand employees start working from the office versus home. These are very good reasons to want employees in an atmosphere that lends itself to developing the aforementioned cultural characteristics.

However, if the activities that support the development of these characteristics were not present before the pandemic and are not being utilized since the communication to return to office, employees may feel the need is in no way comparable to what must be given up. From the perspective of the employee, the value proposition has changed. On the other hand, leaders may perceive the transition as getting back to business as usual.

## The Value Proposition

So, let's take a moment to look at the dichotomy of viewpoints between leaders and employees as it pertains to return to office. First, we must review what many organizations define as an "Employee Value Proposition". An EVP is a statement that communicates what a company offers employees in exchange for their skills, experience and most of all commitment. That statement may identify rewards, recognition and support the company will provide to the employee in exchange for high performance, commitment to the team and customer base as well as the values of the organization.

Now I imagine you may be saying to yourself as you read this "Wait, how can the value proposition change when our company never communicated anything to the employee population?". To answer that question, we must look back to the days of the pandemic.

At the beginning of the pandemic, most organizations in the United States and globally were operationally compromised due to the strict social distancing requirements put into action by national, state and local governments to control the spread of the virus. To survive, most organizations had to develop workarounds that complied with governmental ordinances and gave the company an opportunity to get work completed.

It only took a short time (probably weeks) for companies to fully embrace remote work. Even the staunch opponents to remote work were onboard since for many, it was a matter of survival. Employees were receptive because it provided an opportunity for continued work during tough economic times as well as new found flexibility. Together, employer and employee demonstrated the agility to keep the operation running during a global shock.

### **The Shift In Value**

During the pandemic that went on in duration from one to two years and more, employees across industries and geographies started to expand their new found flexibility to other areas of daily life in order to manage the rising costs of inflation. For instance, a study from researchers at Stanford and Gusto HR Services found the mean distance to work rose from 10 miles in 2019 to 27 miles at the end of 2023. This is most likely the result of many employees taking the opportunity to purchase a home or find a place to rent further away from many urban areas around the country to lower housing costs.

Another study conducted by the Bank of America Institute identified a 32% increase in the cost of childcare from 2019 to the end of November 2023. The report looked at anonymized data from 68 million Bank of America accounts and analyzed those where customers paid for childcare. By September of 2023, the average family spent more than \$700 monthly on childcare. In some states around the U.S., 94% of families have insufficient income to meet the federally recommended cost for childcare which is 7% of income.

The example is not to say working remote eliminates the cost of childcare or as an employer you should expect the employee will be taking care of their child while they conduct your business. That is not a good value proposition for the employer. It does say employees learned to utilize their new-found flexibility to lower the cost of childcare by making arrangements to better fit their schedule and paying by the hour for only the coverage needed.

The examples above are meant to highlight factors that knowingly or unknowingly changed an unwritten value proposition between employer and employee. There are other direct factors such as the cost of commute, parking, meals and wardrobe. Indirect factors may include cost of home and auto insurance due to change in location or less usage of the car.

We are not saying employers signed up for this value proposition when it was created out of necessity to continue their operations during the pandemic. What we are saying is numerous employees creatively took the flexibility factor of the value proposition constructed during the pandemic and utilized it to help manage the rising costs of inflation.

## **Returning To The Office**

A request or mandate to return to office without consideration given to how the value proposition for employer and employee has evolved through the years since the pandemic places both groups at risks for lower performance results. A recent survey from Bamboo HR of over 1,500 managers around the U.S. found that 25% of C-suite executives hoped for some voluntary turnover among workers after implementing a RTO policy. One in five HR professionals admitted their in-office policy was meant to make staff quit.

Leaders must take the best course of action they believe will ensure their organization successfully competes in their chosen markets. Their employees, customers and shareholders trust they will make decisions that benefit all three groups. The rapid change in technology, global shocks such as a pandemic or financial recession or higher levels of competition in markets make each decision an important step to navigate a difficult business environment.

It is not for us to judge whether leveraging return to office mandates to drive voluntary turnover is a good strategy or not. Each leader makes their determination taking into consideration the challenges their organization is facing at that point in time. However, one of the most important capabilities an organization needs today is the agility to collectively and rapidly move the workforce in a direction that adjusts to market conditions.

For employees to rapidly make adjustments to market changes they must be committed, engaged and trust the leadership of the organization. These employee behaviors are the reason employers should understand how the value proposition changes when requesting or mandating a revision to remote work arrangements. As a leader, the more you know about the intrinsic and extrinsic needs of your employees, the better positioned you are to ensure your return to office strategy is successful.

Numerous surveys across industries in the United States have identified a hybrid arrangement of two or three days onsite as the most commonly utilized schedule when transitioning employees from a fully remote status. Regardless of the schedule an organization puts in place, leaders must understand the shift in the value proposition for the employee making the transition from remote work.

## **Developing A Strategy**

Much like responding to a shift in the strategy of an organization, the process to return employees back into the office versus working remotely is a change that requires a strategy. The strategy must ensure open communication channels, an analysis of the organization's offering to employees and a willingness to seek win-win solutions for employees and the organization. Below is a plan with five critical steps to help leaders successfully transition employees back into the office.

**Collect information from impacted employees-** Leaders should gather as much information regarding the impact of the transition back to onsite work as they can possibly obtain. In this

instance, employee surveys will be extremely useful. Focus Groups is another tool that may be helpful. Acquiring information such as hardships incurred with the return to office will enlighten leadership on the potential barriers to getting high performance results from employees.

**Analyze the data-** Examine the survey results to determine common themes across the impacted employee group. Look for easy fixes that may be resolved with small investment from the organization or minor shifts in scheduling. Organize the more in-depth issues taking into consideration the complexity and scope of the matter.

**Audit company offerings to employees-** Review the organization's compensation and benefit programs as well as the recognition practices. Develop a communication format to enlighten all employees on the company's present value offering. Analyze present company offerings and cost per employee to determine what can be adjusted to address barriers to a smooth return to office.

**Seek opportunities to lower employee time and cost burden-** As we pointed out earlier, employees working remote found creative ways to lower their daily cost in the offsite arrangement. Their return to office will lower or eliminate much of the savings. Leaders should thoroughly review the resources at their disposal in which they can use to reduce the cost and/or time burden for impacted employees. Actions taken to reduce some burden will go a long way in building commitment to the organization.

**Create a place to be-** Much of the reasoning regarding the necessity for return to office was to mitigate the loss of camaraderie, teamwork and sharing of ideas that lead to innovation or increased operational efficiency. Leaders should ensure culture building activities are taking place when employees return to the office. Team activities should be designed to not only create an atmosphere of cooperation, they should teach how to problem solve as a group. If hybrid arrangements are included in the go forward strategy, then activities must include when employees work remotely. Most of all make sure to put the pizzazz into the culture to support the new working arrangements and prepare employees for the upcoming change due to a tough business environment.

## **RTO Success**

In today's business environment, the success and/or survival of a company hinges on the agility it utilizes in response to business disruption, global shocks, technology advancements or increased competition. The 2024 Global Risks Report distributed by the World Economic Forum identified misinformation and disinformation, extreme weather events, societal polarization and cyber insecurity as the top four global risks over the next two years. Global risks were defined as the possibility of the occurrence of an event or condition which, if it occurs, would negatively impact a significant proportion of global GDP, population or natural resources.

Companies must be prepared to respond to challenges like those identified by the World Economic Forum. Leaders must rapidly harness the collective will of the employee population to respond to occurrences or events that threaten the viability of the organization. When

employees can work as a team across organizational boundaries to implement change initiatives, build new skills, develop technology enhancements and solve complex problems, they demonstrate the agility required for today's business environment.

Successfully completing a "Return To Office" initiative is imperative to the company's workforce readiness to respond to the business challenges that will surely emerge. The number of engaged employees in the organization must be better than the 33% average identified in the Gallup 2024 Global Workplace Report. The workforce commitment to the organization must be strong enough where leaders don't have to worry about tactics like coffee-badging that Owl Labs identified as a maneuver utilized by 58% of the respondents in the State of Hybrid Work Report.

The above examples are the centuries old tug and pull between commitment and compliance. Return To Office mandates may work for some cultures. Earlier, Gallup reported that 50% of the current workforce was quiet quitting or just hanging on until a new opportunity becomes available. These individuals are most likely sitting in the mandated environments. This may not improve as the economy tightens up.

However, a strategic approach to the RTO transition may generate new commitment or keep existing in place. Giving consideration to the change in the value proposition and making an attempt to mitigate some losses will motivate employees making the change. Ernst & Young developed a transition fund to help with the cost of commute, childcare and pet care. Starbucks established a hybrid schedule of Tuesdays and Wednesdays onsite and a third day of the employee's choosing. Ericsson embraced a hybrid work model the led to the reduction of office space at 400 locations.

The actions taken should fit the culture and capability of the organization. A value proposition is for employees and employer. Both sides should benefit from the changes implemented to ensure a smooth Return To Office.

**It is time to put your strategy into motion!**

#### **About the Editor**

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