

HR Insights

Understanding and Addressing the Great Mismatch

In recent years, many employees have expressed preferences for greater work flexibility. However, rather than meeting this demand, many employers are scaling back on remote work arrangements and increasing in-office requirements. A recent report by management consulting company McKinsey and Company found that 87% of U.S. workers want flexibility, but 50% of employers want employees back in the office. This disconnect between employee expectations and business needs has been dubbed “the Great Mismatch” and is affecting job seekers, employees and employers.

Failing to adequately address employees’ needs and expectations for flexible work could decrease employee morale, reduce productivity, increase turnover and harm attraction efforts. This article explains the Great Mismatch and provides guidance for how employers can address this workplace phenomenon.

Understanding the Great Mismatch

The COVID-19 pandemic reshaped workplace norms as many employees transitioned to remote work for the first time. Technology advanced rapidly to meet the sudden demand for telework, and although remote work didn’t suit every job position, it worked better than most could have predicted. Many workers enjoyed having more control over when and where they worked. This particularly benefited individuals with child and elder care responsibilities or those who preferred to work during nontraditional hours. Further, the increased flexibility allowed individuals to spend more time with friends and family, improving their work-life balance and saving money on commuting. Some moved away from cities into more remote areas with the expectation that they wouldn’t be asked to return to a physical work location.

Despite the relative success of remote work, many employers are pushing for employees to return to the office. According to a recent survey by ResumeBuilder, 9 in 10 organizations with office space will require employees to return to in-person work by 2024. Resumebuilder also found that over 1 in 4 (28%) respondents said they would threaten to fire employees who failed to meet return-to-office (RTO) requirements.

Yet, the majority of individuals are still looking for remote work. A 2022 global survey by Buffer found that 97% of respondents want to continue working remotely at least some of the time for the rest of their careers, and in the United States, 68% of workers prefer to be fully remote. Nearly 2 out of 3 job seekers prefer remote work and 18- to 34-year-old workers would accept a pay cut between 16% and 18% to work remotely, according to ZipRecruiter. This shows the significant mismatch between what employers want and what job hunters are seeking.

Employee Backlash on Forced RTO Policies

Forcing employees to return to the office against their will has resulted in backlash for many major organizations, such as Apple and X (formerly Twitter). Employees have staged walkouts and refused to follow RTO mandates. For some workers, even threats of termination have been insufficient to persuade them to comply fully with RTO orders. In fact, a survey by insurance and financial services platform Reli Exchange found that 40% of employees said they would find a new job if fired for not returning to the office, compared to 11% who would ask for their job back.

Moreover, even if employees obey RTO orders, it can significantly impact morale, retention and productivity. According to corporate wellness platform Gympass, 38% of workers whose preferences weren’t aligned with their work arrangements were twice as likely to say they were struggling with well-being and twice as likely to be unhappy at their companies.

How Employers Can Respond

Balancing employee requests for flexibility with employer concerns about the impact of remote work on workplace culture, engagement and productivity can be challenging. Employers can bridge the gap by prioritizing an in-office culture that promotes employee well-being and flexibility. The following practices can help organizations address the mismatch between employer demands and employee expectations:

- **Recruit for in-office positions.** Employers can prioritize hiring employees who are willing to work in the office. This involves clearly communicating expectations of in-office work to job candidates and potential new hires. Employers can also prioritize offering job positions to individuals who are willing to work in person.
- **Promote work-life balance.** Remote workers often struggle to disconnect from work at the end of the day. Employers can capitalize on employees' desire for work-life balance by encouraging in-person workers to leave their laptops at work at the end of the day and not to check their email outside of work hours. This can show employees they're valued as human beings outside of work and may appeal to individuals who desire freedom and flexibility.
- **Establish flexible work policies.** An employee's job flexibility, workload and time off may vary greatly with their supervisor. Employers can help manage employees' needs and desires for flexibility while encouraging in-person work by creating a company culture of flexibility. This may include providing flexible work hours and generous paid time off.
- **Focus on employee wellness.** Workplace well-being is a critical factor in attracting and retaining talented individuals for in-office positions. Employees want to feel valued, respected and safe at their organizations. Employers can support employee wellness by establishing employee assistance programs, offering mental health resources, incorporating wellness into workplace culture and supporting work-life balance.
- **Consider hybrid work.** Employers may increasingly turn to hybrid work schedules to manage employee desires for flexibility. This may include offering employees the flexibility to choose which days they are in the office, designating core hours in which every employee is expected to be available, and creating custom schedules to help workers to balance work and personal responsibilities.

Conclusion

Forcing employees to return to in-office work against their will can significantly impact company culture, morale, engagement, productivity and retention. Employers who take proactive steps to address the gaps between employee wants and expectations and RTO requirements will have a better chance of attracting and retaining employees in today's labor market.

Contact us today for more information.

[This HR Insights is not intended to be exhaustive nor should any discussion or opinions be construed as professional advice. © 2024 Zywave, Inc. All rights reserved.]