Opinion: COVID-19 pandemic and the Great Resignation should lead to greater respect for workers

Managers should not be stuck on a desire to return to 'normal.'

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By Elizabeth Lyons

The Great Resignation has spawned a host of theories about why workers are extending their job searches and staying out of the market. Physical safety concerns and changes in work-life balance no doubt matter. At least some managers have addressed labor shortages by offering higher financial pay and benefits. But in a series of field and lab experiments, I found that the emphasis on material concerns may be exaggerated. The retention and performance of workers are highly dependent on how valued they feel — in short, on respect.

Associate Professor Elizabeth Lyons

As the nation and region appear to have turned a corner with the Omicron variant, companies are pushing for a return to "normal." Many are blaming new work arrangements for significant declines in innovation and collaboration, but they are also missing an opportunity to make meaningful changes to their approaches to worker and workforce management.

The COVID-19 pandemic clearly shifted the landscape of work. While the incidence of remote work had been increasing for years before the pandemic, its challenges forced firms to make large-scale investments in facilitating and managing remote work. The pandemic also gave people time to reflect on their personal and professional priorities. Combined, this has changed worker demands and expectations. And stagnation in worker pay has been a source of worker dissatisfaction for years. With a little market power, workers flexed their muscles by walking away from jobs with low pay, long commutes, unsupportive cultures, and self-centered or undertrained managers.

But can real changes in managerial approaches affect not just employees' satisfaction, but their actual performance and job attachment? In a field experiment published in 2020, four fellow researchers and I studied how changes in managerial attention affect worker performance and retention among 113 workers with remote jobs. We found that when managers actively provided performance feedback on a regular basis rather than waiting for problems to surface, workers' output increased by 8 percent.

In contrast, workers not receiving feedback experienced a 3 percent decline.

Moreover, none of the workers getting regular performance feedback left their job during the four-month study period, whereas around 11 percent of those who did not decamped prematurely.

When we dug into why these calls changed performance and retention, we found that they increased workers' job satisfaction, driving increases in their effort and job attachment. These findings demonstrate that managerial attention should be responsive rather than reactive so that employees feel valued, and have the opportunity to improve and receive praise on an ongoing basis. A more conscious approach to managerial attention may be particularly important for remote workers who have fewer opportunities to receive unplanned feedback from their managers.

In another experiment published in 2019, two co-authors and I studied the extent to which workers value fairness in teams by examining how much money individuals will forgo if they believe their teammates are not being fair. In particular, the likelihood of efficient team problem solving falls by around 33 percent when teammates are unable to achieve a fair division of work among their team. In contrast, teammates are more efficient problem-solvers when their fairness concerns are satisfied. Managers should pay attention to social expectations in team settings. Fair division of labor and credit is critical not only for the performance of the team, but for the retention of its members as well.

These emotionally conscious, low-cost interventions have meaningful impacts on engagement, retention and performance. However, in practice, employers seem to be underestimating how important it is for employees to feel valued by managers, feel cared for by teammates and feel as though they have a sense of belonging within their organization.

Given how damaging employee exits can be for productivity, and how increasingly costly competing for workers on financial pay alone is, employers need to prioritize thoughtful engagement with their existing employees. As firm margins are getting hit by supply chain issues, climate crises and increasing global competition, improving the efficiency of work force management is critical for continuing innovation and sustaining economic growth.

Managers should not be stuck on a desire to return to "normal," as our new normal entails too much uncertainty for work to be the same as it was before the pandemic. Rather than trying to return to traditional management practices, companies need to evolve. Respect for employee preferences and attention to employee growth objectives are not only socially responsible practices, firm survival may depend on them.

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