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What awaits is not a “new normal”....

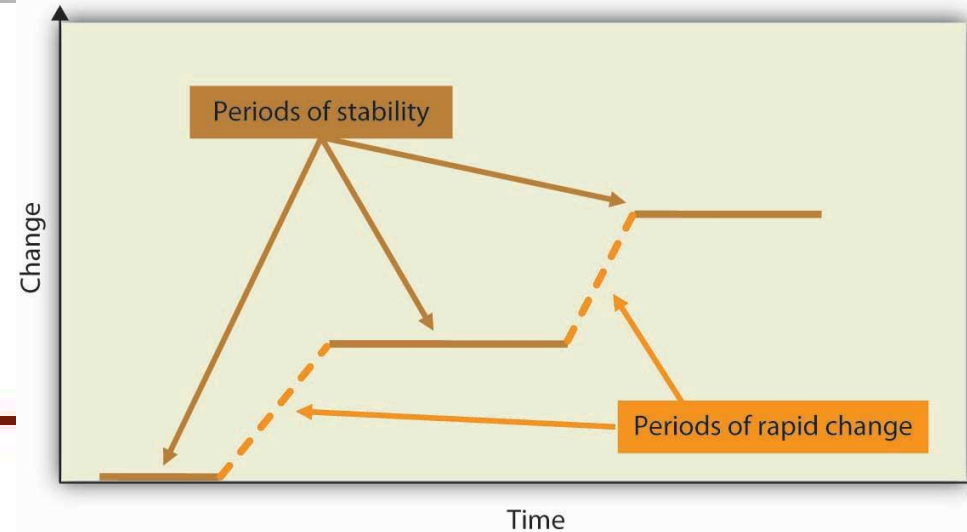
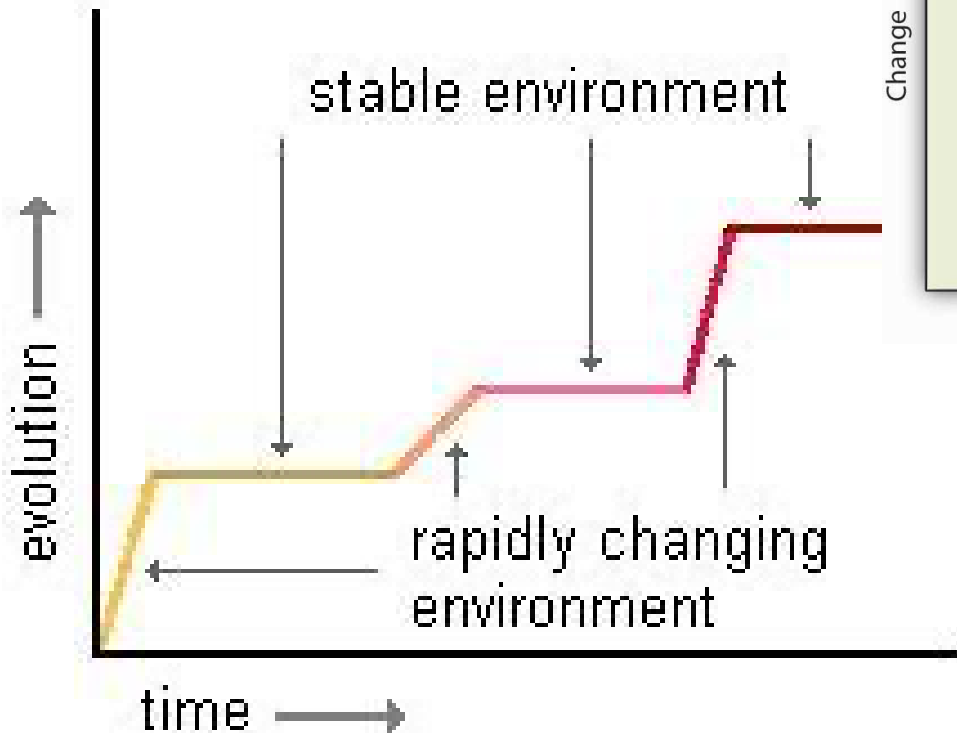




I study change and teach change management

- In my experience
 - Organizations and people don't like to change and they aren't good at it
 - 1 in 5 are dispositionally resistant to change
 - Talking about change doesn't mean it has occurred
 - Everyone talks changes but few actually change
- But: everyone and everything has to change (
 - We're not "returning to normal" – no one knows what the "new normal" will be

Why? Because we are going through a period of disruptive change





Disruptors

- **COVID-19**

- Impact on workplaces and lives: same scale as great depression and World War II

- **Demographic changes**

- Declining birth rates, shifts in dependency ratios

- **Generational changes**

- 3 generations in the workplace with different attitudes and values
- Covid-19: watershed moment exacerbating many generational differences we already know about -- YOLO



Disruptors

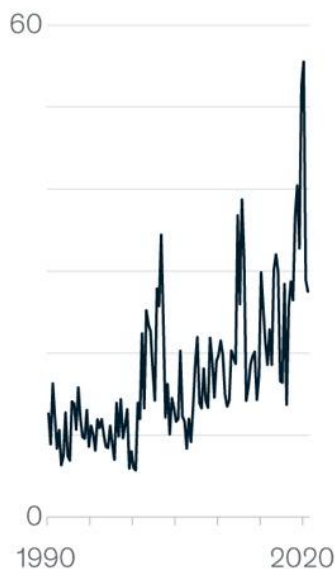
- **Technology-driven change**
 - Covid-19 has sped up what is considered possible
- **Climate change is still needed**
 - Change has been needed for decades
 - We're running out of time
 - Covid-19 may change attitudes and values but economics may mean we put it off until it's a crisis too
- **"The Haves and the Have Nots"**
 - Rising economic inequality
- **Political instability/worldwide unrest**

Disruption is becoming more frequent and severe

McKinsey, May 2021

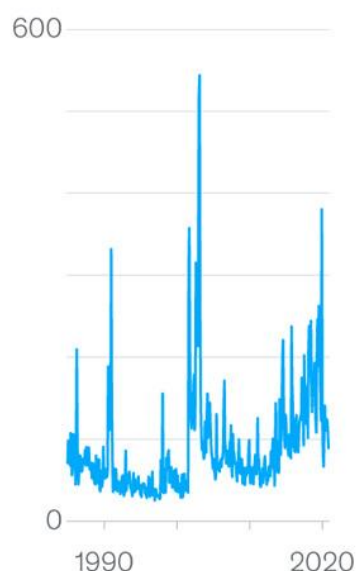
Disruption is becoming more frequent and more severe.

IMF World Uncertainty Index,¹ thousand



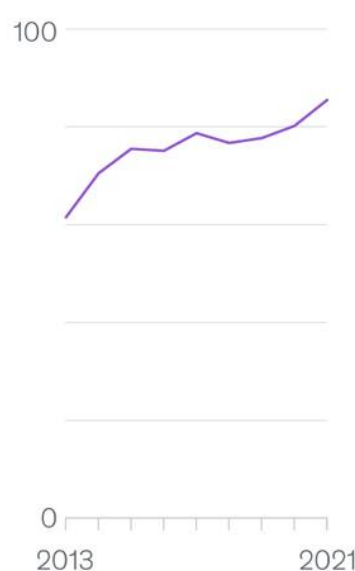
Global uncertainty has grown manifold since 2000

Federal Reserve Board, Geopolitical Risk Index²



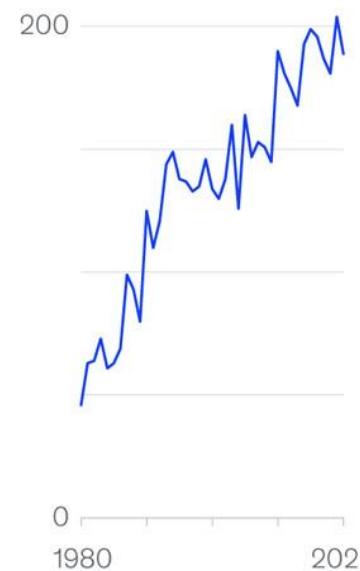
Geopolitical risk has not been higher since 2003

Companies subject to a cyber breach per year, %



Cyber incidents have risen 24 percentage points since 2013

Natural disasters per year, number



Frequency of natural disasters is rising



Focus of talk today

- Where are we now:
 - Employee health and wellbeing
 - Recruitment, retention and “talent” management
- To deal with issues relating to employee wellbeing many of you will need to hire more staff
 - Challenging in a buyer’s market for labour

COVID-19 has been an “exhausting” journey

everyone has been impacted in one way or another

- Jobs were reshaped or lost
- School days morphed into home-based learning
 - Many students did not thrive in this new environment
- Seniors faced “prison like” isolation in care facilities
 - Their caregivers suffered along with them



It has been an “exhausting” journey

- As the need for social connection increased, our ability to connect with others declined
 - Note social connection can lower anxiety and depression, help us regulate our emotions, lead to higher self-esteem and empathy, and improve our immune systems CMHA
- As the need for health care increased, the system “buckled” due to organizational anorexia and our inability to implement changes that would increase the resilience of the health care system
 - “The Folly of Managing A and Hoping for B” in action



It has been an “exhausting” journey

- The economy has taken a hit
 - Success spiral in action
- Many coped by tuning out public health information and regurgitating misinformation on-line
- Social conflict increased
 - Those who feared the loss of public freedom more than the virus versus those who believed the experts

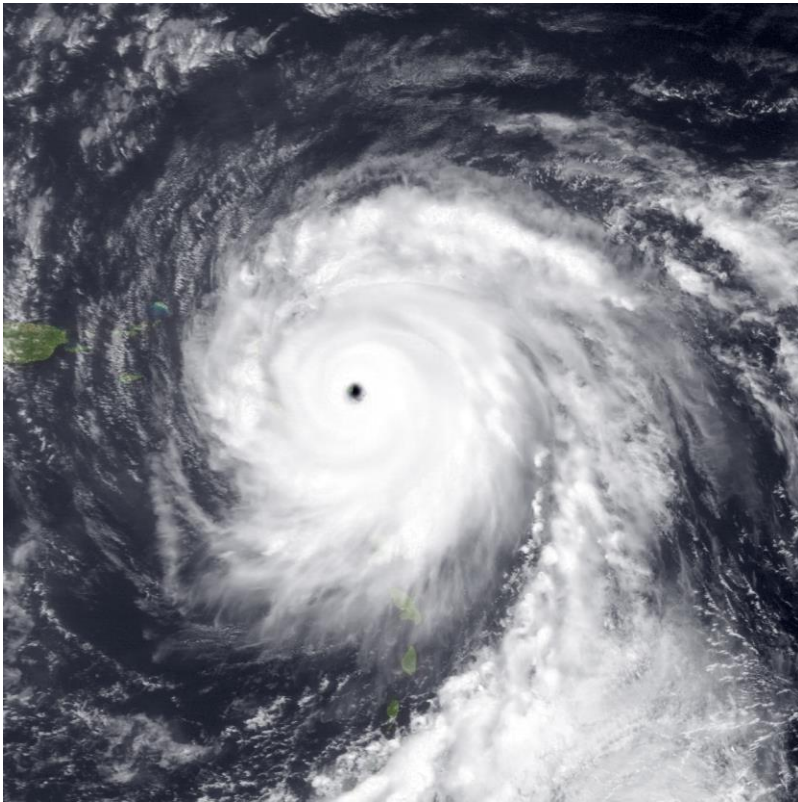


It has been an “exhausting”
journey

*While we may be “finished with
COVID-19” it is not finished with us*

Duffin, medical historian

We survived the hurricane – Now we need to deal with the aftermath






To thrive moving forward

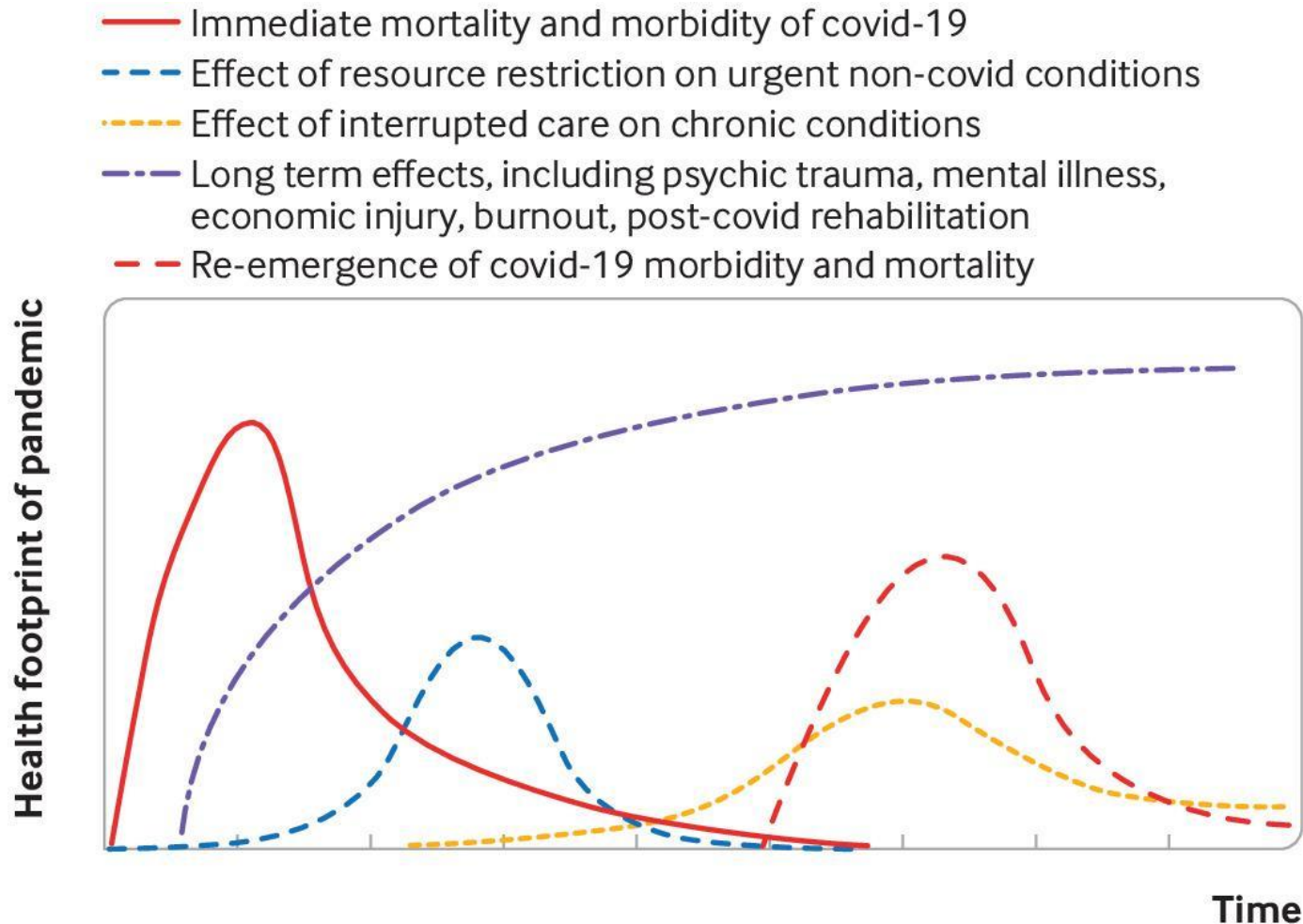
- Moving forward organizations need to deal with the aftermath of the pandemic
 - employee wellbeing,
 - work-life balance,
 - workloads
 - issues associated with the organizational culture

Must be addressed if you want to recruit, retain and engage employees



The collateral damage caused by COVID

Victor Tseng

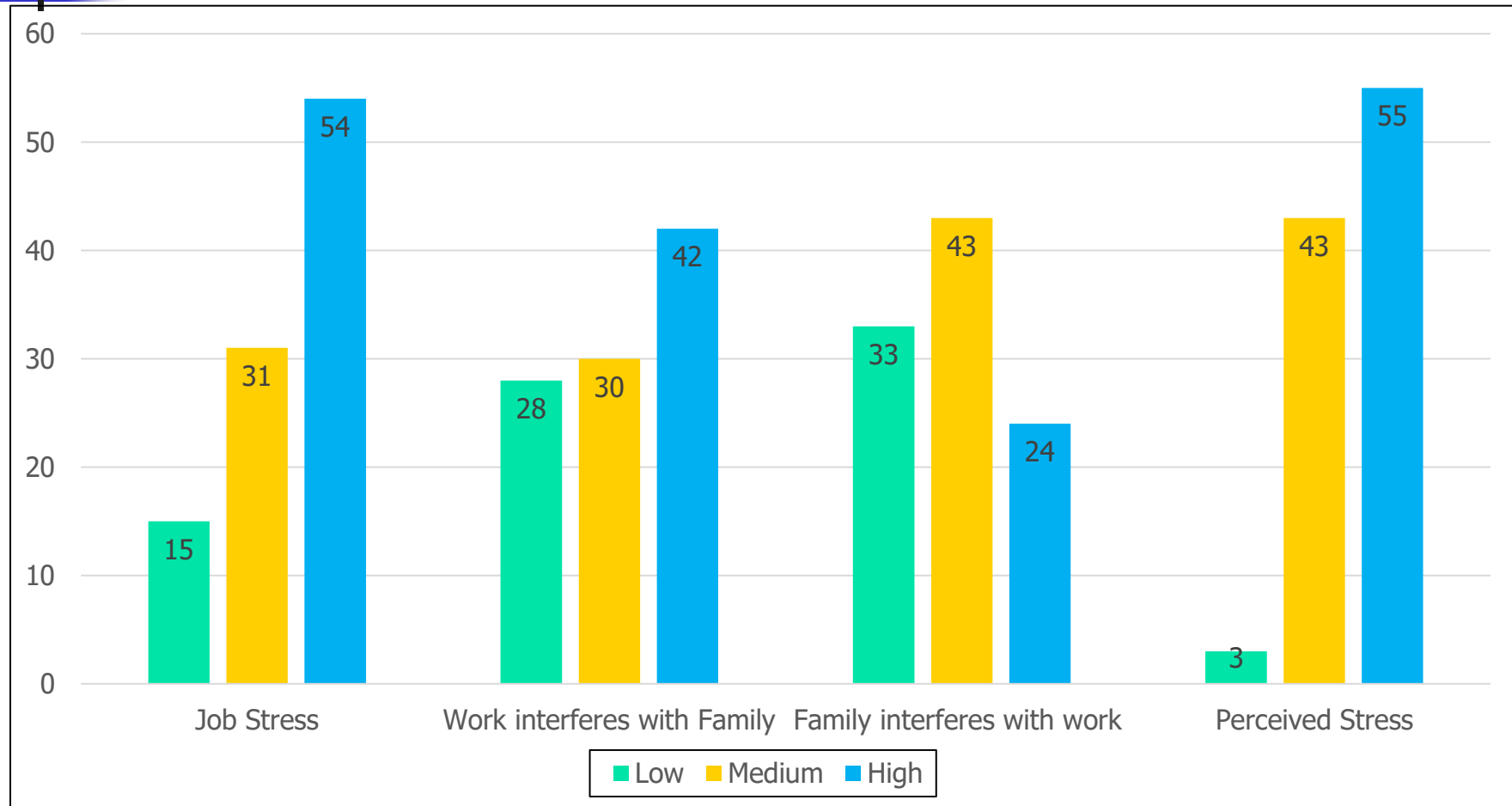


Key findings on Employee Wellbeing

"Employee Wellbeing In Times of COVID" survey

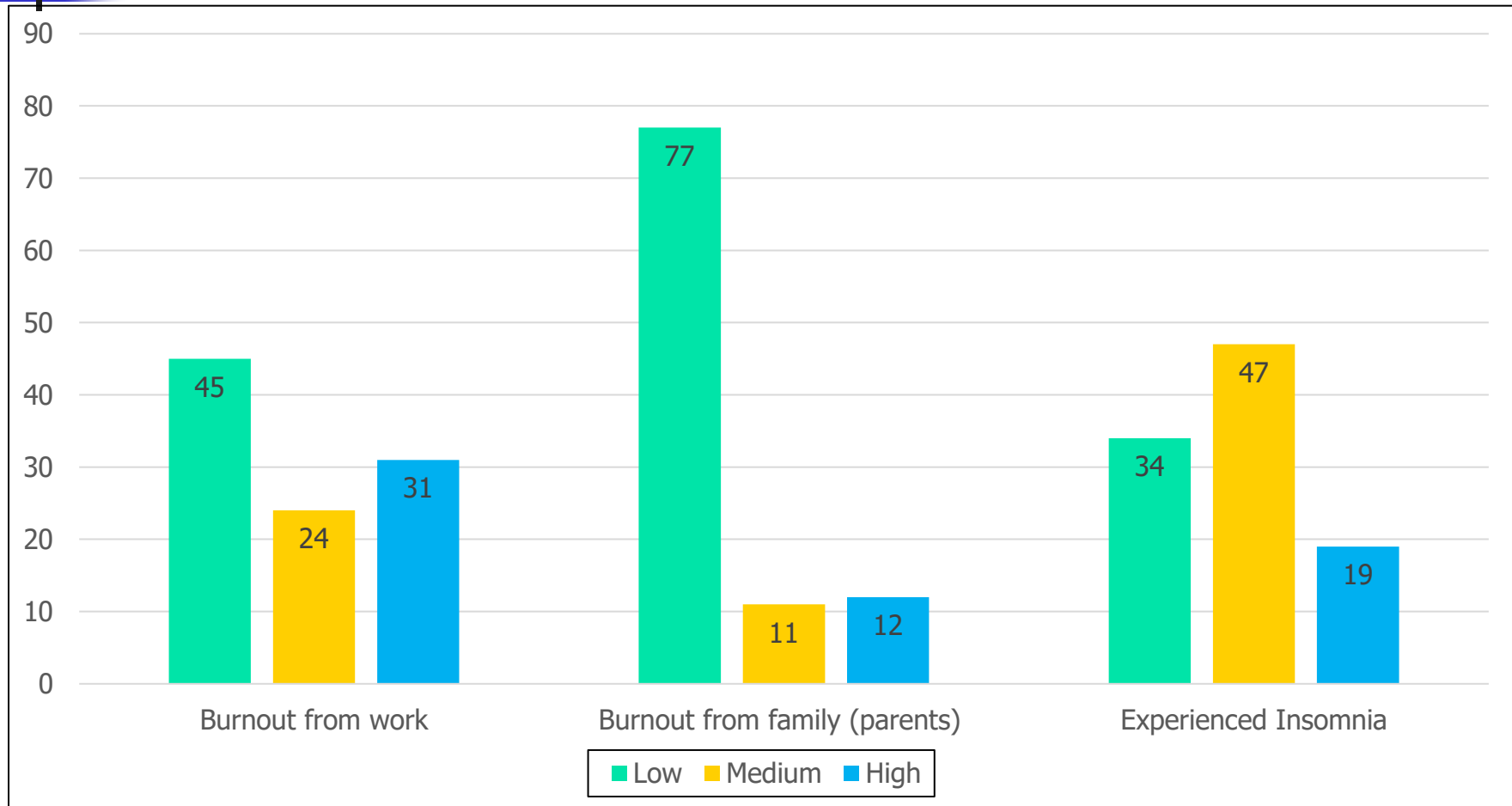
Administered after phase three of pandemic

n = 26,000+



Key findings on Employee Wellbeing

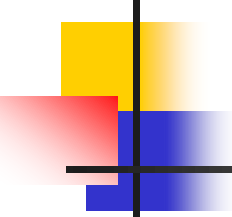
"Employee Wellbeing In Times of COVID" survey





Health and wellbeing

- Will be huge going forward
 - Strongly linked to retention and workplace safety
- Need to:
 - consider things like wellness programs
 - offer benefits that support physical wellness, mental health, flexible work schedules, childcare, eldercare paid time off etc.
- Key to success? having enough staff to do the work required and dealing with workload



Need to address the underlying causes not the symptoms

- Our research identifies several reasons why employee health has declined over time
 - Enforced work from home
 - Workloads
 - For many people workloads have increased during the pandemic for a myriad of reasons
 - Work life balance an issue for many
 - Many people are NOT coping well
 - Organizational culture may be making things worse

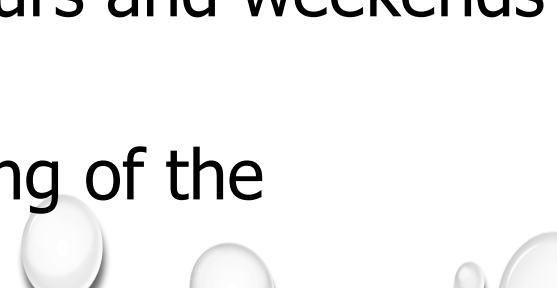


Enforced work from home has negatively impacted employee wellbeing – Why???

- Because enforced remote work differs in many important ways from the ideal (i.e., a well-designed remote work arrangement)
 - For many remote work has increased the amount of time they are spending in work and decreasing their ability to balance work and family

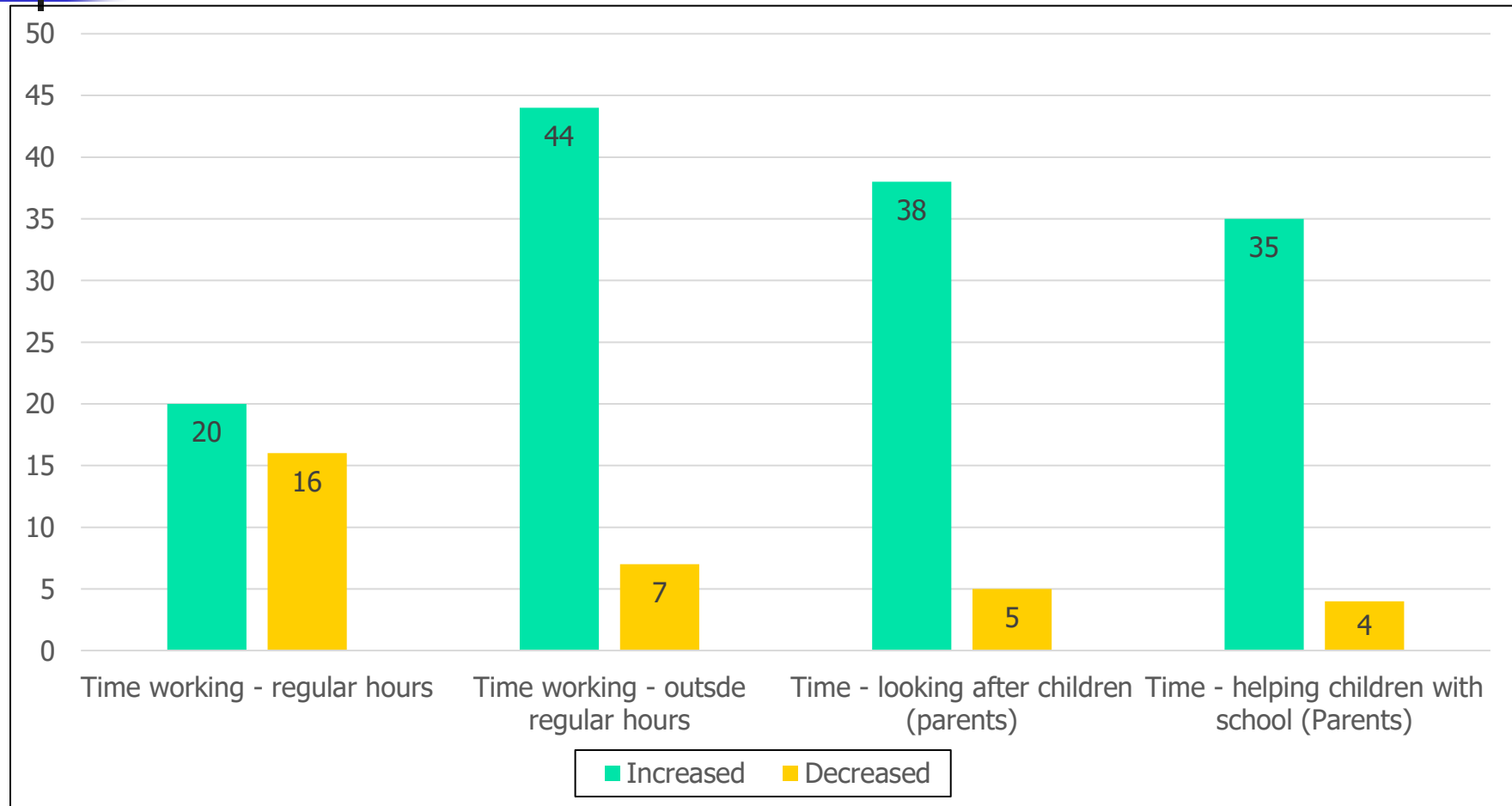


Microsoft study done during the pandemic found:

- Workdays were lengthened by, on average, four or more hours a week,
 - Employees signed into work earlier and signed off later to accommodate pressing demands at home,
 - The number of meetings people participated in increased while the amount of time spent in each individual meeting declined,
 - Many employees used evening hours and weekends to catch up on work,
 - Many employees reported a blurring of the boundaries between work and life
- 

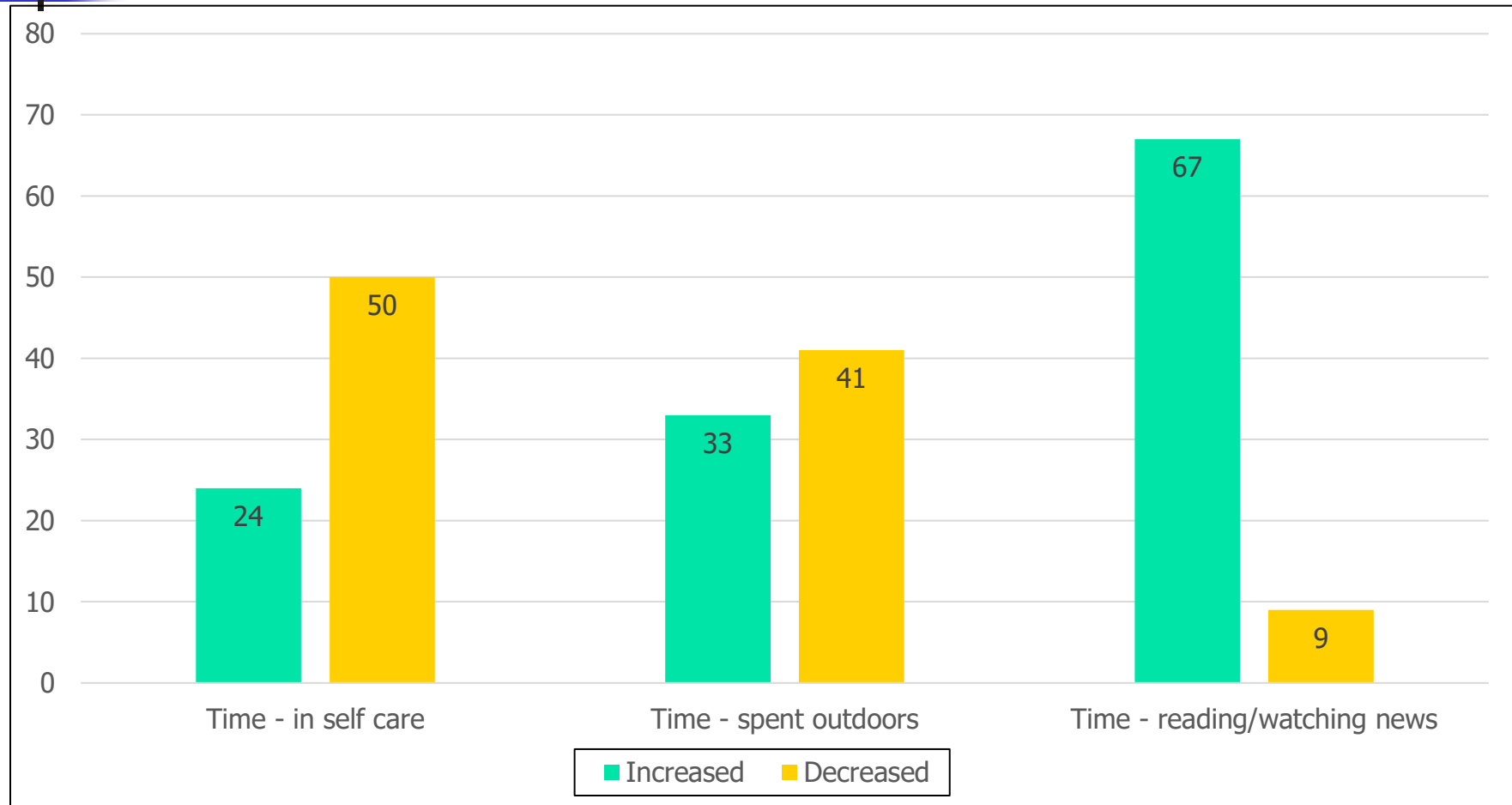
Key findings: How COVID has impacted how employees spend their time

"Employee Wellbeing In Times of COVID" survey (n = 26,000+)



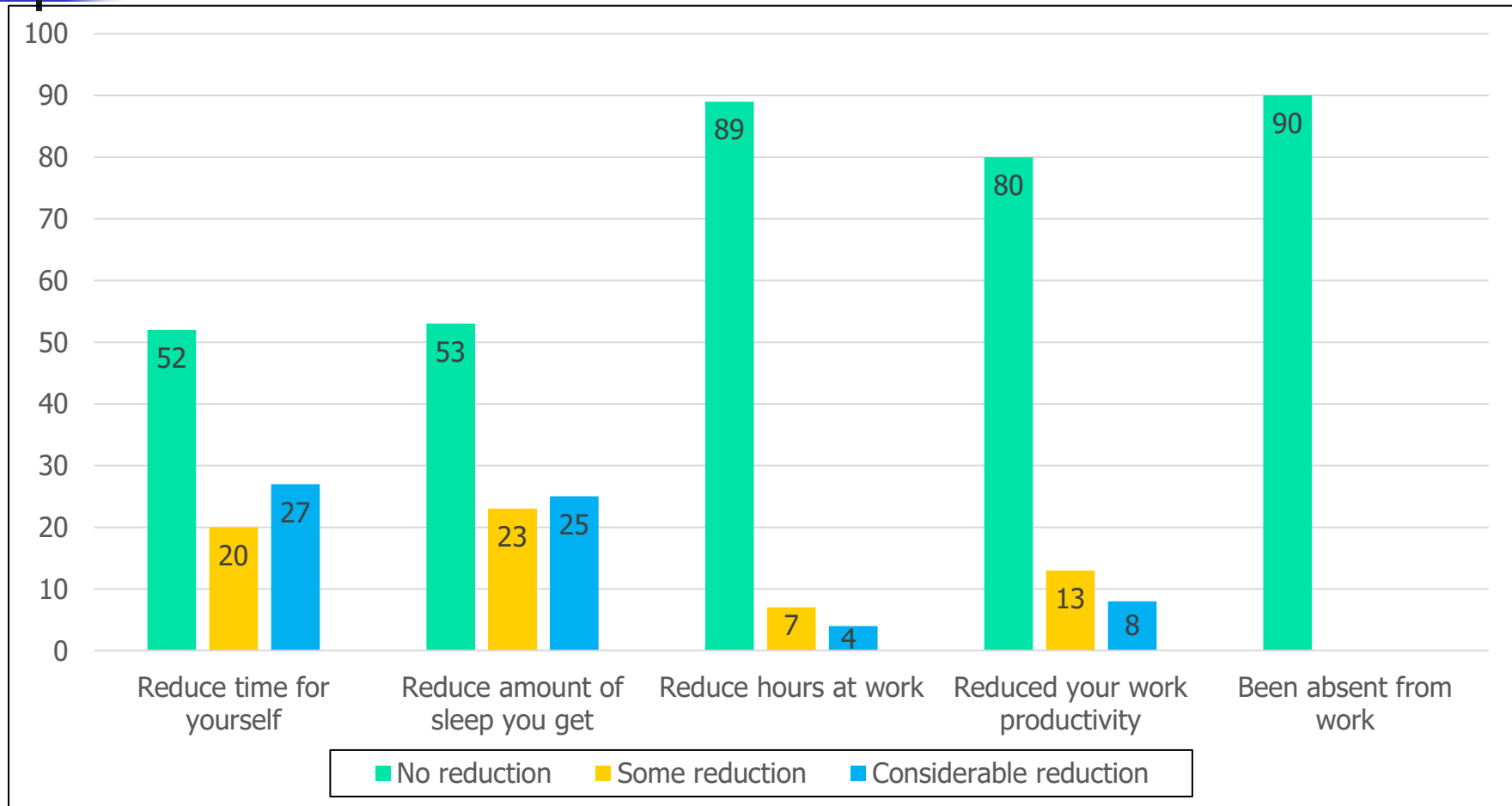
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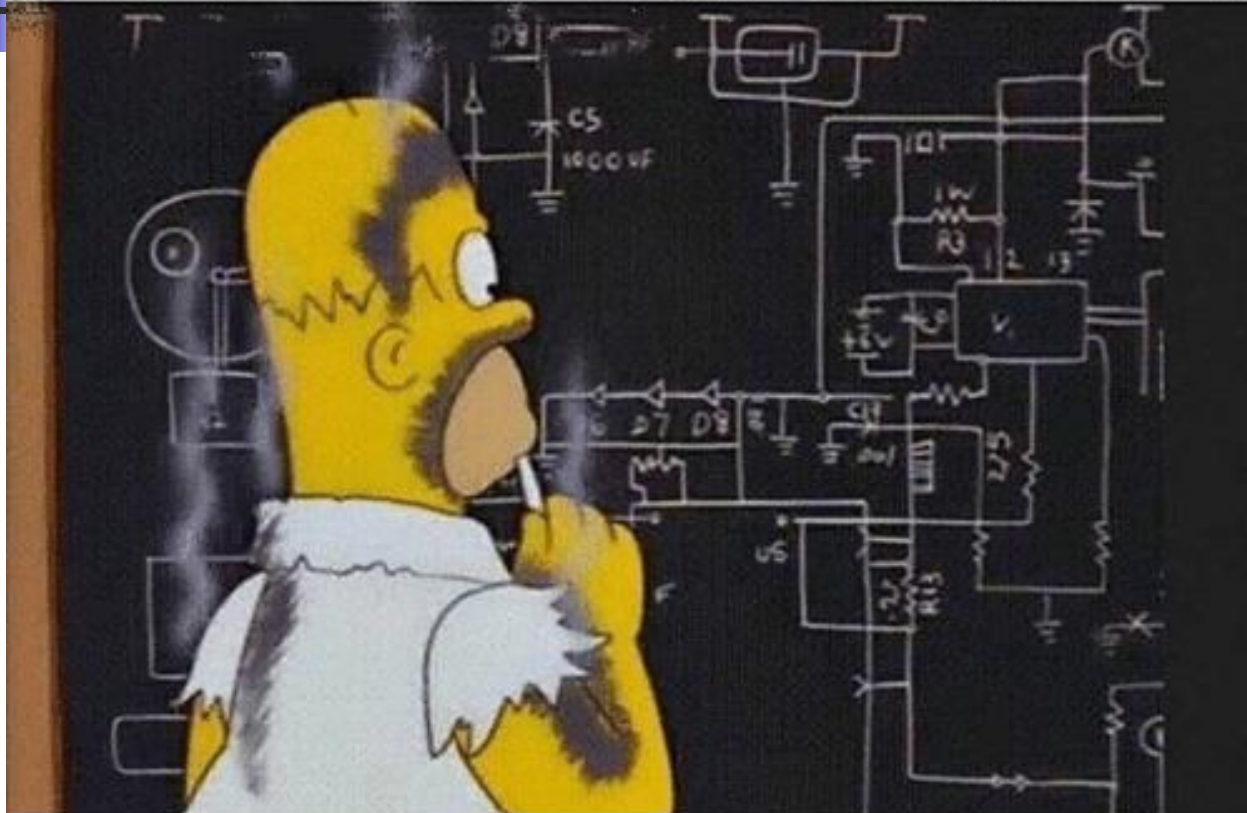


Looking back – since COVID-19 pandemic began, to what extent have challenges with respect to balance work and family caused you to:

"Employee Wellbeing In Times of COVID" survey (n = 26,000+)



When you're trying to find enough time to go to the gym, go to work, have social life and get enough sleep



The struggle is real.



The need to deal with workloads

- Workloads were a problem prior to the pandemic
 - Why? Understaffing and over committing
 - Organizational anorexia
- Quit quitting
 - Term a misnomer



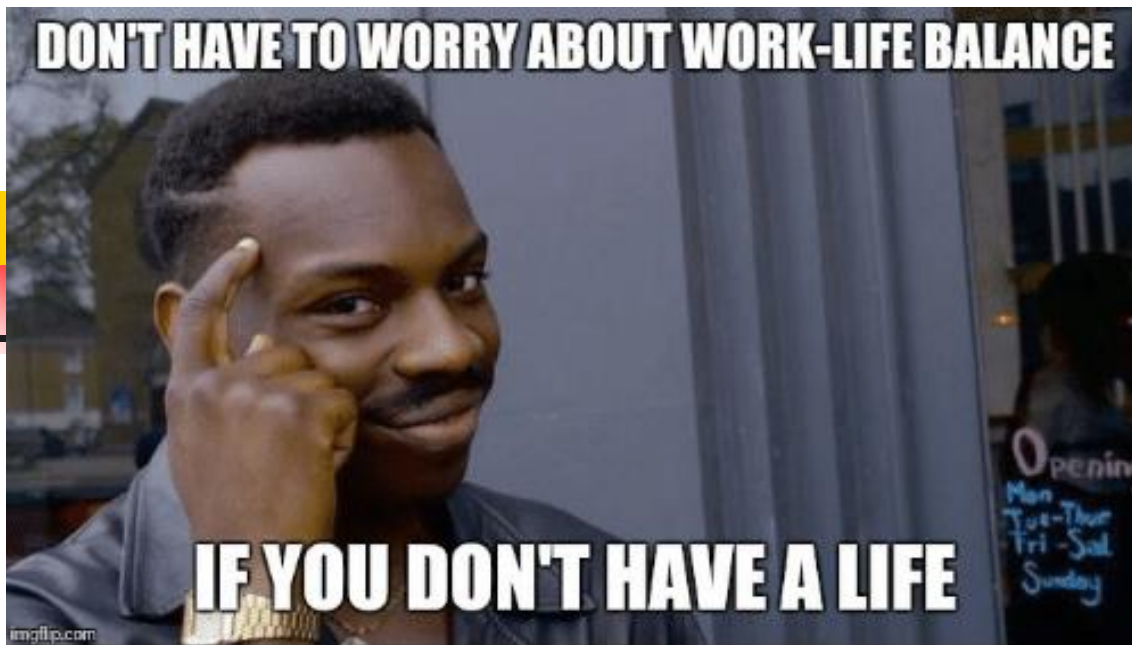
The need to deal with workloads

- Pandemic has changed priorities for many employees who now place a higher value on “life”
 - They have heard the talk, but want to see concrete action before they commit to you
- Managers are key to helping move change forward
 - But good managers are exhausted, burnt-out and cannot handle much more
 - Urgent need to reduce workloads at this level

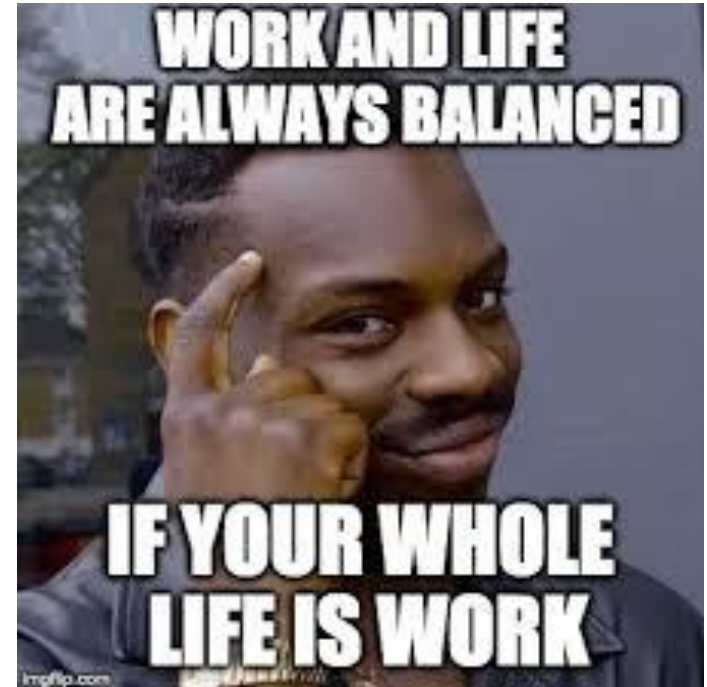


In many organizations -- culture change needed

- Many organizations have deeply ingrained “cultures of face time” that favours the boiled frog
- If these cultures are in place, it will be challenging:
 - to address issues associated with employee wellbeing
 - to recruit and retain in a buyers market for labour



24/7 cultures
where boiled
frog is honored





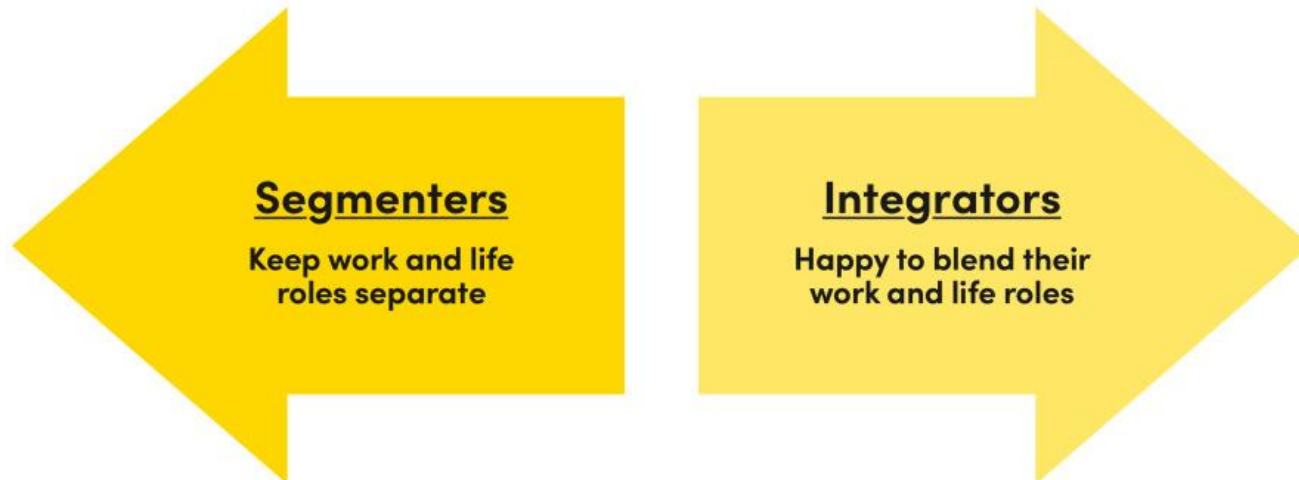
Moving away from a 24/7 culture - organizations need to

- Challenge the existing culture by answering the following questions:
 - How long should people take for lunch (or should they take a lunch)?
 - When should people be at their desk working?
 - Do all people need to be working at some specified time?
 - How available should someone be outside of standard work hours?
 - What is the “end of a typical workday?”



Many employees not able to adopt their work-life preferences

Segmenters vs. Integrators





Are you an Integrator or a Segmenter? A quick test



Space



Schedule



Lunch

Integrators:

Don't mind working from bed or couch and later relaxing in the same space.

Don't need a strict schedule. Comfortable juggling work and personal time, without a hard start or stop.

Feel comfortable with eating while working on the desk or attending a work call.

Segmenters:

Set up a dedicated working space at home, usually in a separate room or isolated corner of the house.

Need an office-like schedule with a clear start and end time for work, and established personal time.

Prefer to take lunch time away as a break and not comfortable with eating on the desk.



Key Findings:

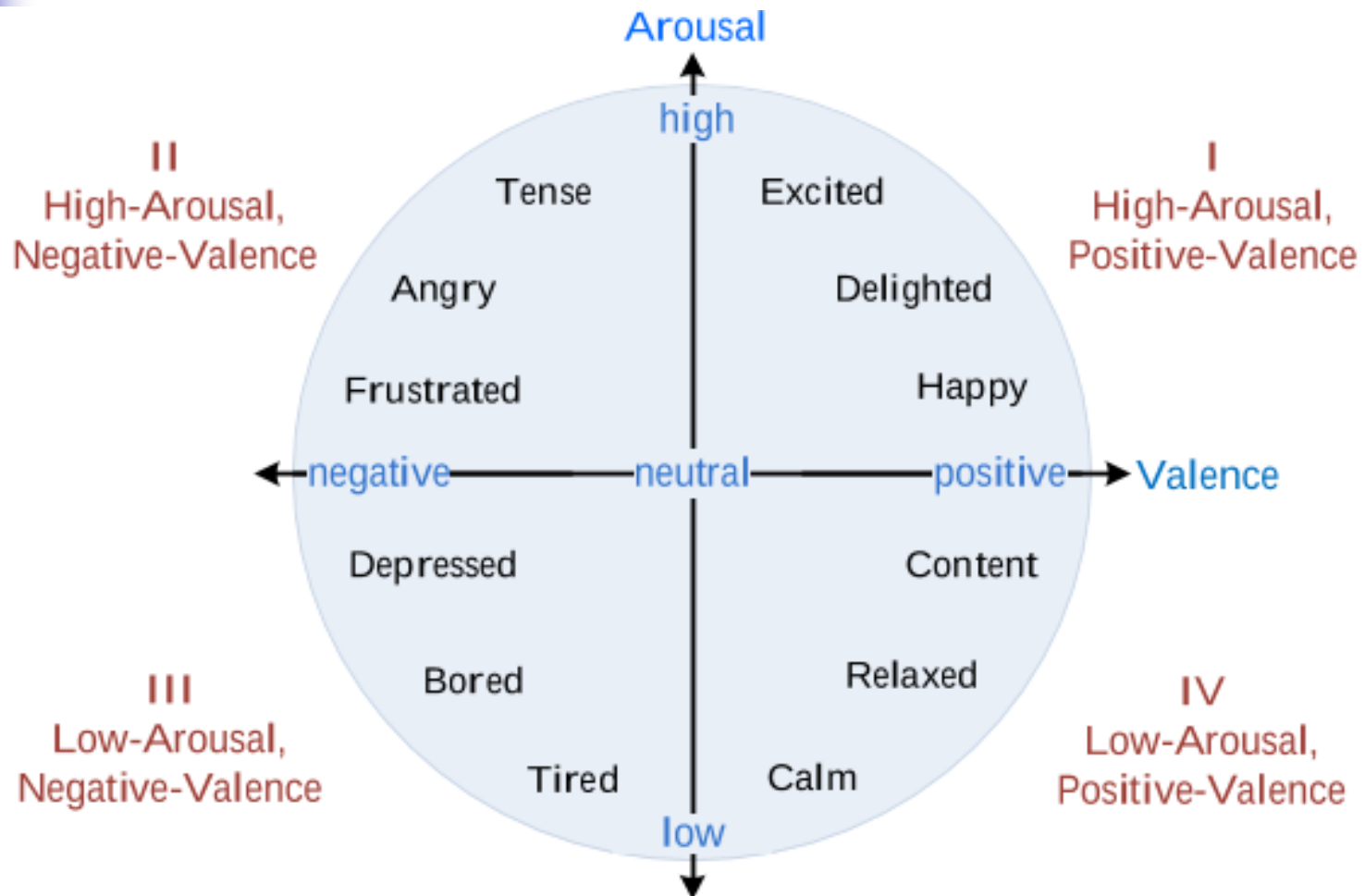
Emotions are running high

Angry
Sad Afraid Happy
Worried Hopeful resigned
Frustration
Anxious Lonely Depressed
numb
Tired Stressed
Grateful

Circumplex model of emotions

From: Research Gate

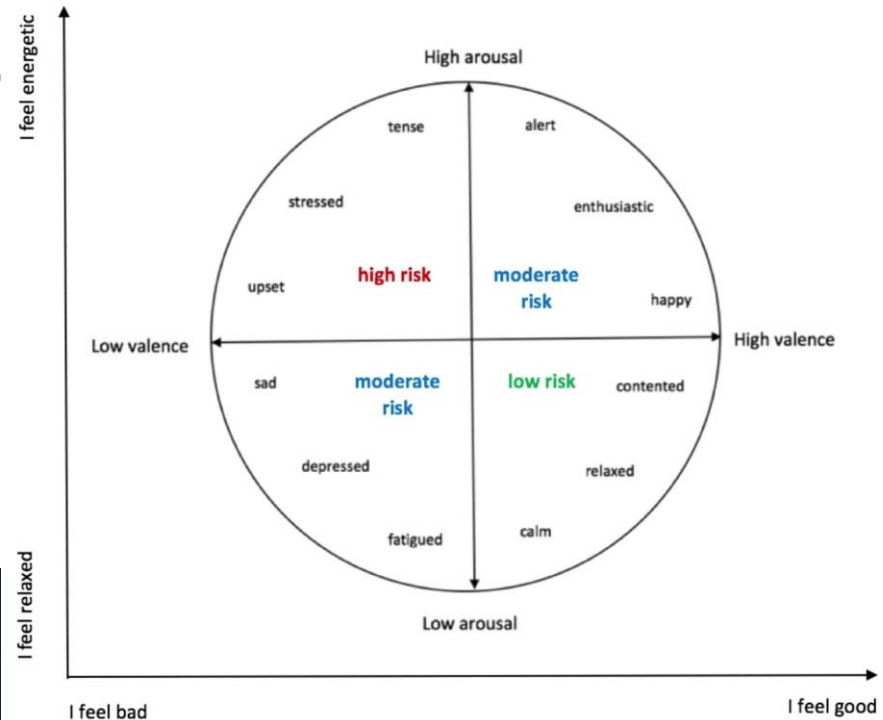
Valence – is pleasure/displeasure continuum



Role of emotions versus logic in decision making process

“Don't Make A Permanent Decision For Your Temporary Emotion.”

The Fresh Quotes



Of course our feelings matter. But emotional decisions are usually not the best ones. On the other hand, your emotions can affect your decisions whether you like it or not because the effects can occur on the unconscious level.

~ Leonard Mlodinow



Workplace trends 2022 and beyond

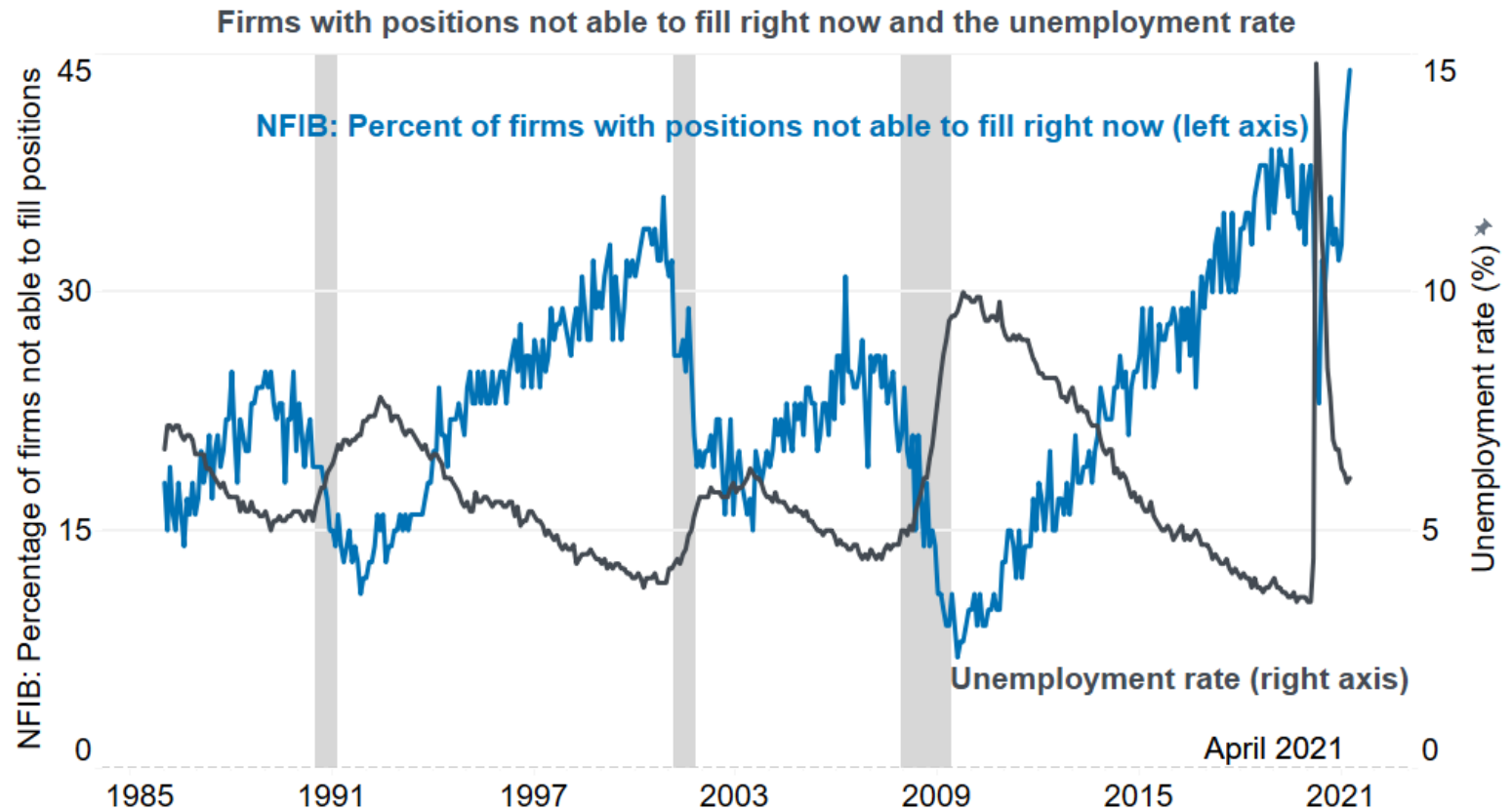
- Great Resignation will continue
 - Retention major issue
 - You are only as good as your employees say you are
- The Great Hesitation
 - People who worked from home during the pandemic are not keen to return to the workplace
- Remote, Hybrid and “Essential” Worker
 - Challenge will be to manage three very different situations



Workplace trends 2022 and beyond

- Prioritization of employee wellbeing
 - Key to employee retention
 - Mental health programs, EFAP, flexible work arrangements, paid time off, wellness programs
- Talent shortage and need to reskill within organizations
 - World Economic Forum: Almost half of the global workforce will need reskilling of up to six months by 2024

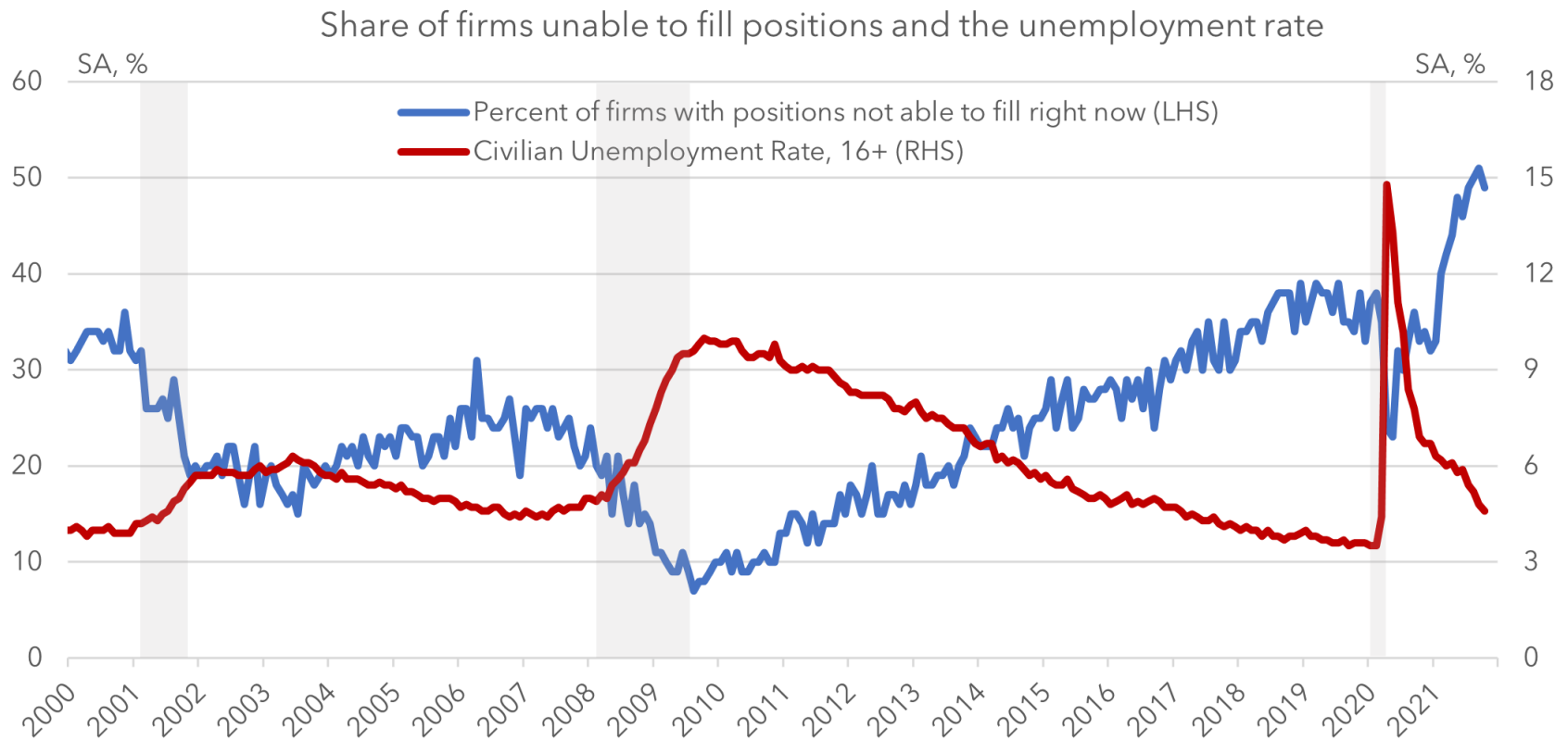
Challenge: Labour force shortages



Source: National Federation of Independent Business;
US Bureau of Labor Statistics

© 2021 The Conference Board, Inc.

Challenge: Labour force shortages



Source: NFIB, BLS, The Conference Board

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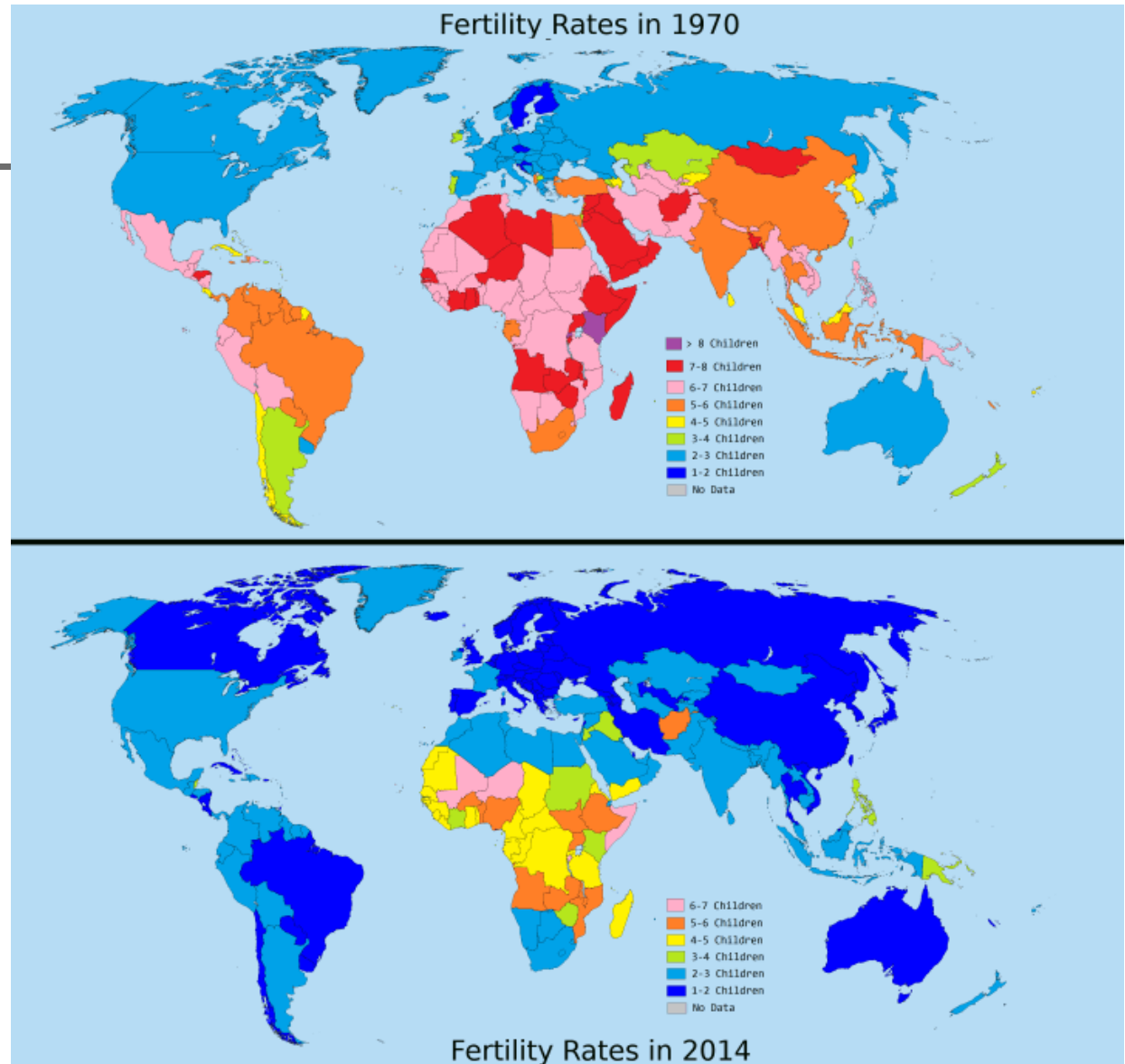
Why are we facing a labour force shortage?

The law of supply and demand

- On the supply side, the pandemic has increased the number of people who:
 - Are retiring early
 - Starting their own business
 - Choosing to take a break (leaving their current job without another job lined up)
 - Taking on non-traditional forms of employment
- Post-pandemic, demand side is also increasing as companies ramp up

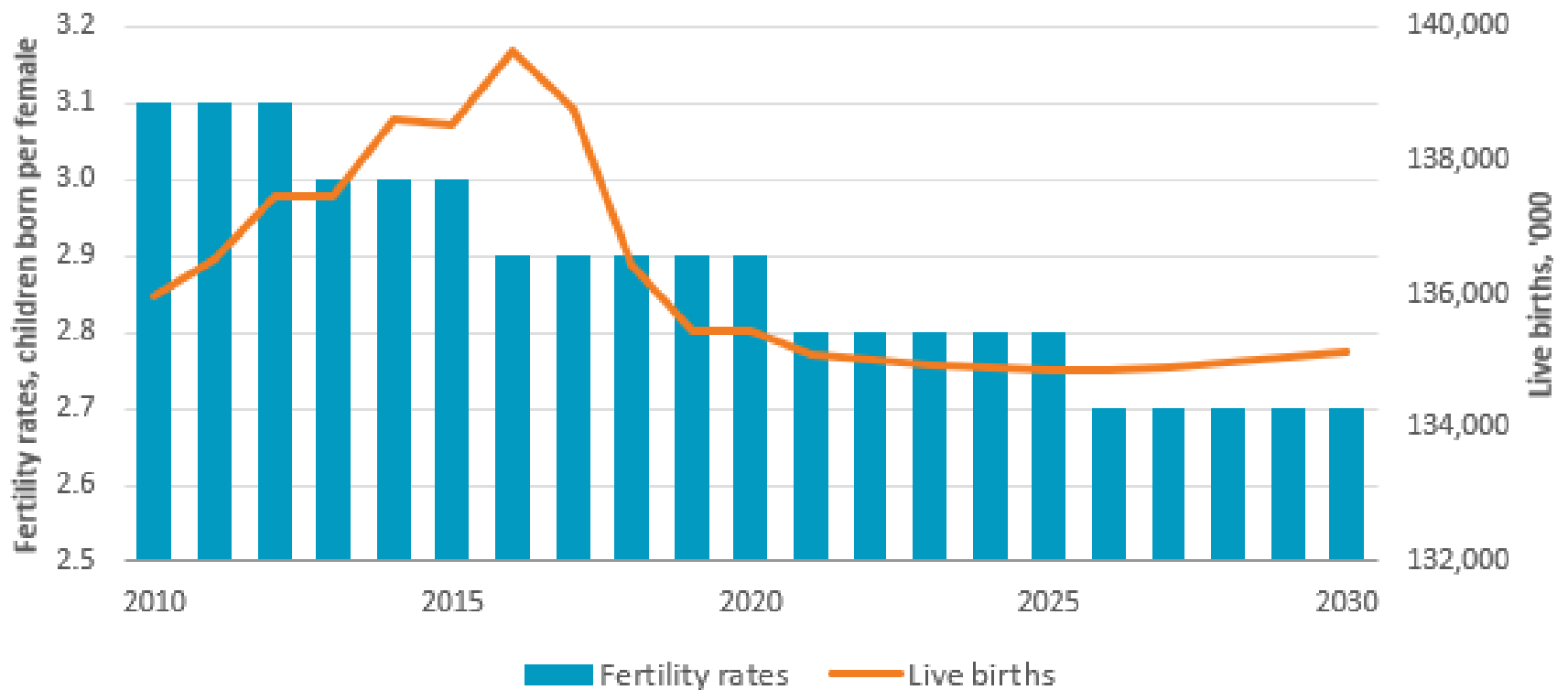
Supply Side: Where are the workers?

They were
not born!



Birth Rates Declined Globally During the Pandemic

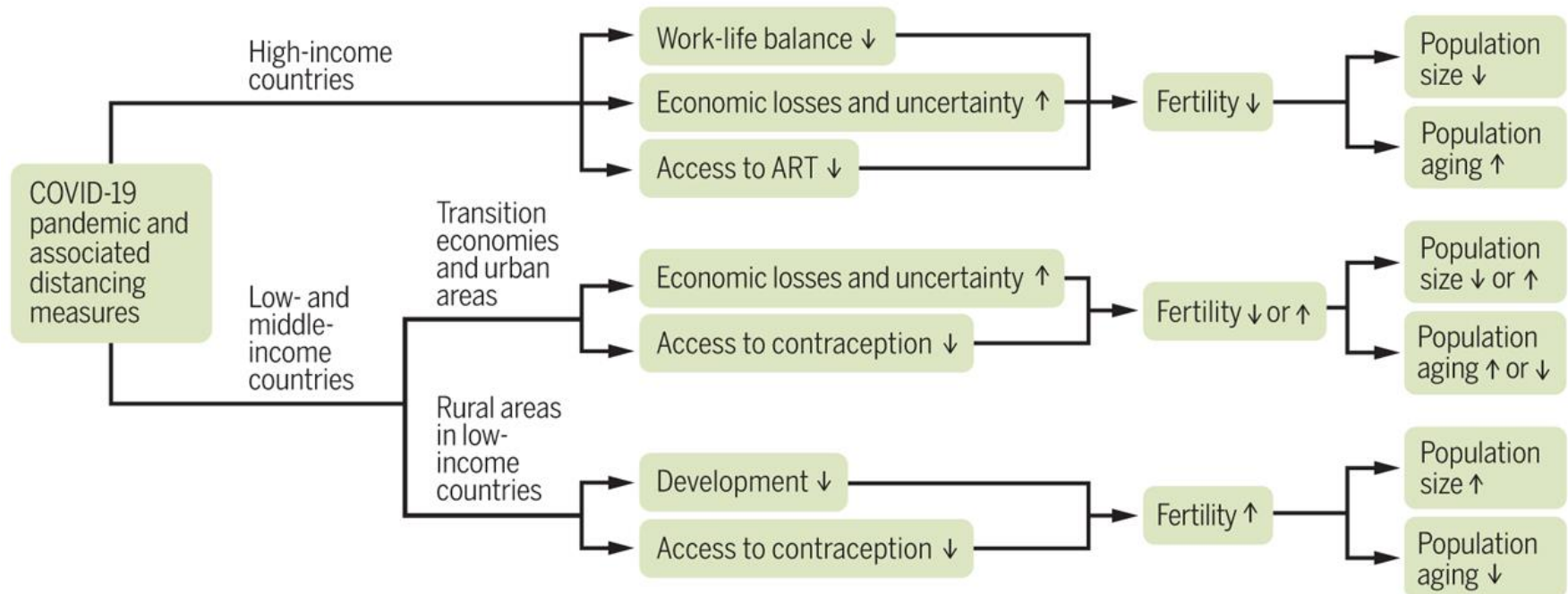
Global Fertility Rates and Live Births: 2010-2030



Pandemic has reduced birthrates

Possible post-pandemic fertility trajectories according to regional income level

The social measures aimed at reducing coronavirus disease 2019 (COVID-19) infection may be expected to have different effects on fertility, depending on societies' development and stage of the demographic transition, and ultimately, on population density and age distribution. ART, assisted reproductive technology.



Demographic/ generational change

	2022
Pre-Baby Boomers (pre-1946)	<0.5%
Baby Boomers, First Wave (1946-1954)	<5%
Baby Boomers, Second Wave (1955-1964)	12%
Generation X (1965-1977)	25%
Millennials, First Wave (1978-1989)	27%
Millennials, Second Wave (1990-1996)**	19%
Generation Z (1997 -)**	>12%

- Going to drive discussions on workplace of the future and impact hiring and retention policies
 - For the first time in history, we have five different generations in the workforce at the same time
 - Consequences of these differences are more severe post COVID-19 pandemic
 - YOLO



Workplace trends 2022 and beyond

- Focus on skills not jobs
 - Upskilling, reskilling and career paths
 - Focus on retrain to retain
 - Why? AI and automation
- Emphasis on “soft” skills
 - As more people work remotely there is an increased need to be good at relationship building
- DEI and work-life balance key to recruitment and retention of younger employees

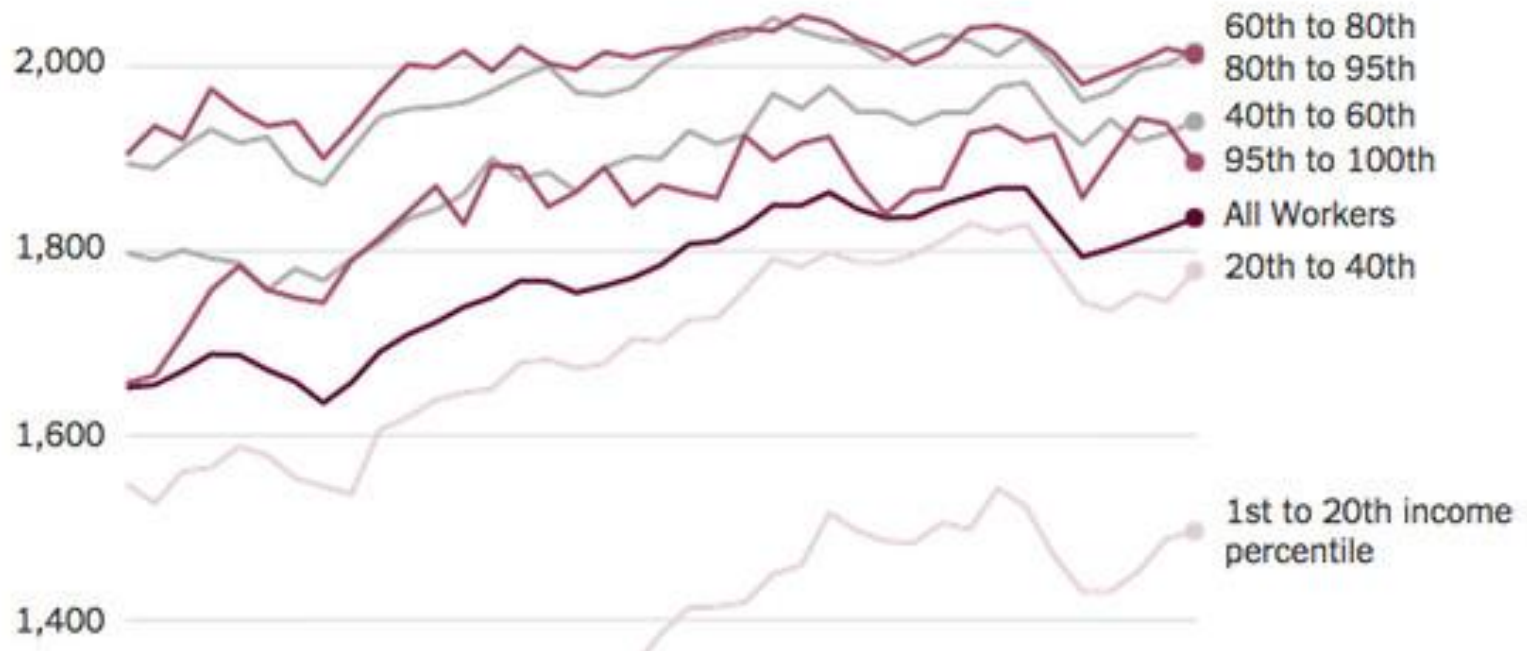
Need to address issues associated with Pay

Hours spent working have increased over the past four decades -- Pay has not kept pace

The Rise in American Work Hours

The hours we work vary by business cycle and income, but they have increased for all workers over the last four decades.

Average annual hours worked by paid workers age 18 to 64, by income percentile



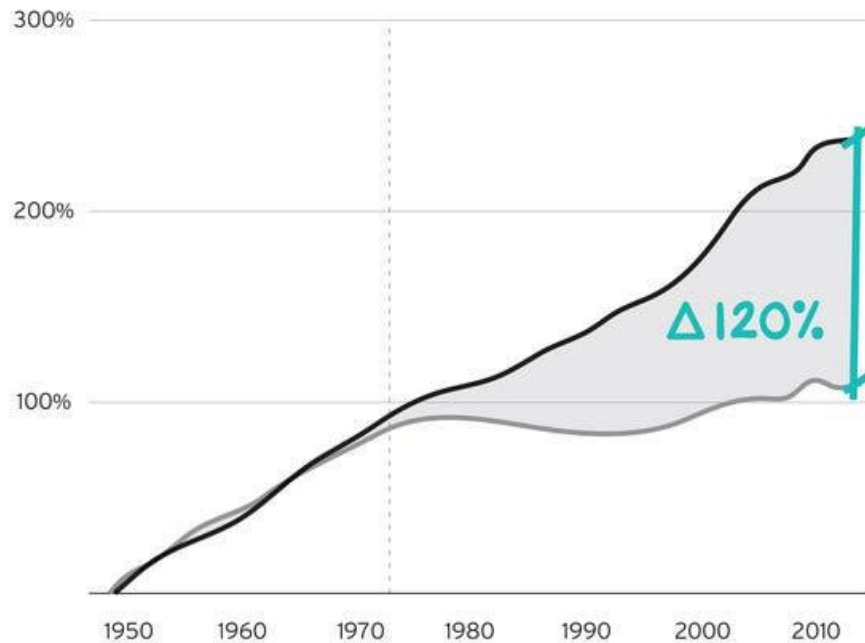
Pay has not kept pace

New York Time, Sept. 27th, 2022

Productivity Relative to Hourly Compensation

Indexed to 1948

— Productivity — Hourly compensation



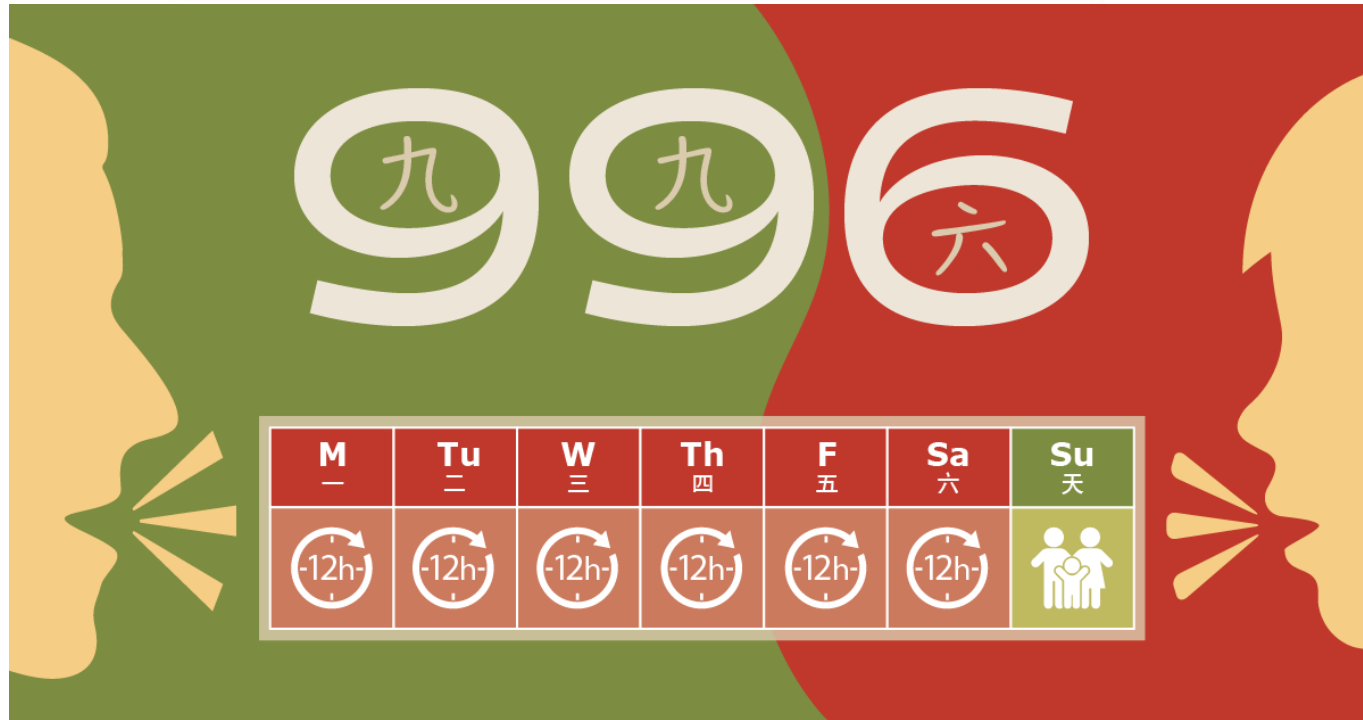
Sources: Bureau of Economic Analysis, Bureau of Labor Statistics, Economic Policy Institute.

Note: Productivity equals net output for U.S. goods and services minus depreciation, per hour worked. Hourly compensation is inflation-adjusted and accounts for U.S. non-management workers.



- Jack Ma, Founder, Alibaba Group

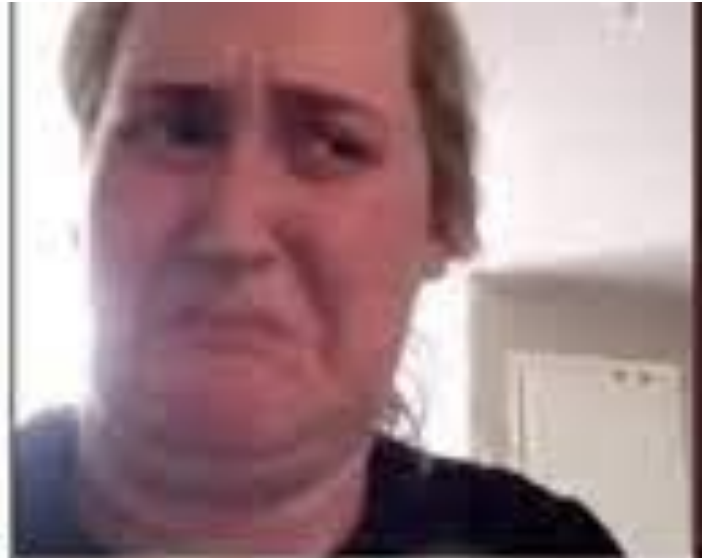
BUT... QUANTITY OR QUALITY?

[illegible]

Result: Quiet Quitting



**"QUIET
QUITTING"**



**"ACTING
YOUR WAGE"**





Questions that need to be addressed:

- Does your sector have the ability to attract and retain the needed talent moving forward?
- Is PEI will positioned to address these issues moving forward
 - Can you compete with the rest of Canada



What can you do?

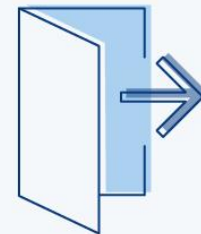
- Find out why people are leaving (exit interviews) – and address these issues
- Data shows that people leave because they feel that
 - The work is not fulfilling
 - Their job is impossible (not sustainable)
 - They do not trust their boss (or you!)
 - They do not feel valued

Why are people quitting jobs?

McKinsey, 2023, N = 13,382 employees in Canada, US, UK, India and Singapore

Why People Are Quitting Their Jobs

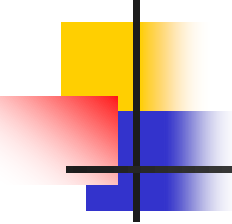
Most common reasons given for quitting previous job
(Apr '21-Apr '22)



What can you do?

Cure the disease rather than treat the symptoms

- Rethink your employee value proposition
 - Give people more than money and flexibility
 - Make jobs challenging but not impossible
 - Social connection is huge – make people want to come to work for more than the money
 - Remember – if it is all about \$\$\$ you are only “renting their presence”
 - Others can and will pay more



What can you do?

Work not fulfilling

- Make work more fulfilling
 - People who are exiting the workforce tend to feel
 - That their job has no purpose, and/or
 - That they are not valued by their boss or their company
 - Need to do? Build sense of purpose
 - Remember the “Proximity Principal”



What can you do?

Work is not sustainable

- Make work more sustainable
 - Poor health and wellbeing one of the most important reasons why people leave their jobs
 - Deal with workload issues and expectations of availability
 - Catch 22 – often means you need to increase staffing

What can you do?

Improve the employer-employee relationship

- Relationship between one's manager and how people feel about the leaders of company one of the strongest predictors of retention
- Need to invest in leaders and managers
- Need to hold people accountable – not just for business results but for retention, job satisfaction, engagement etc.

What can you do?

Need to make them want to work for you

- Create flexible employment options
- Re-examine job requirements to broaden the potential candidate pool
 - Rethink age requirements and requirements for experience, focus on reskilling
- Never say goodbye – boomerang employees, informal alumni network events..

Issue top of mind

Harvard Business Review

What Most Companies Get Wrong About Managing Talent

They misjudge what really matters to employees.

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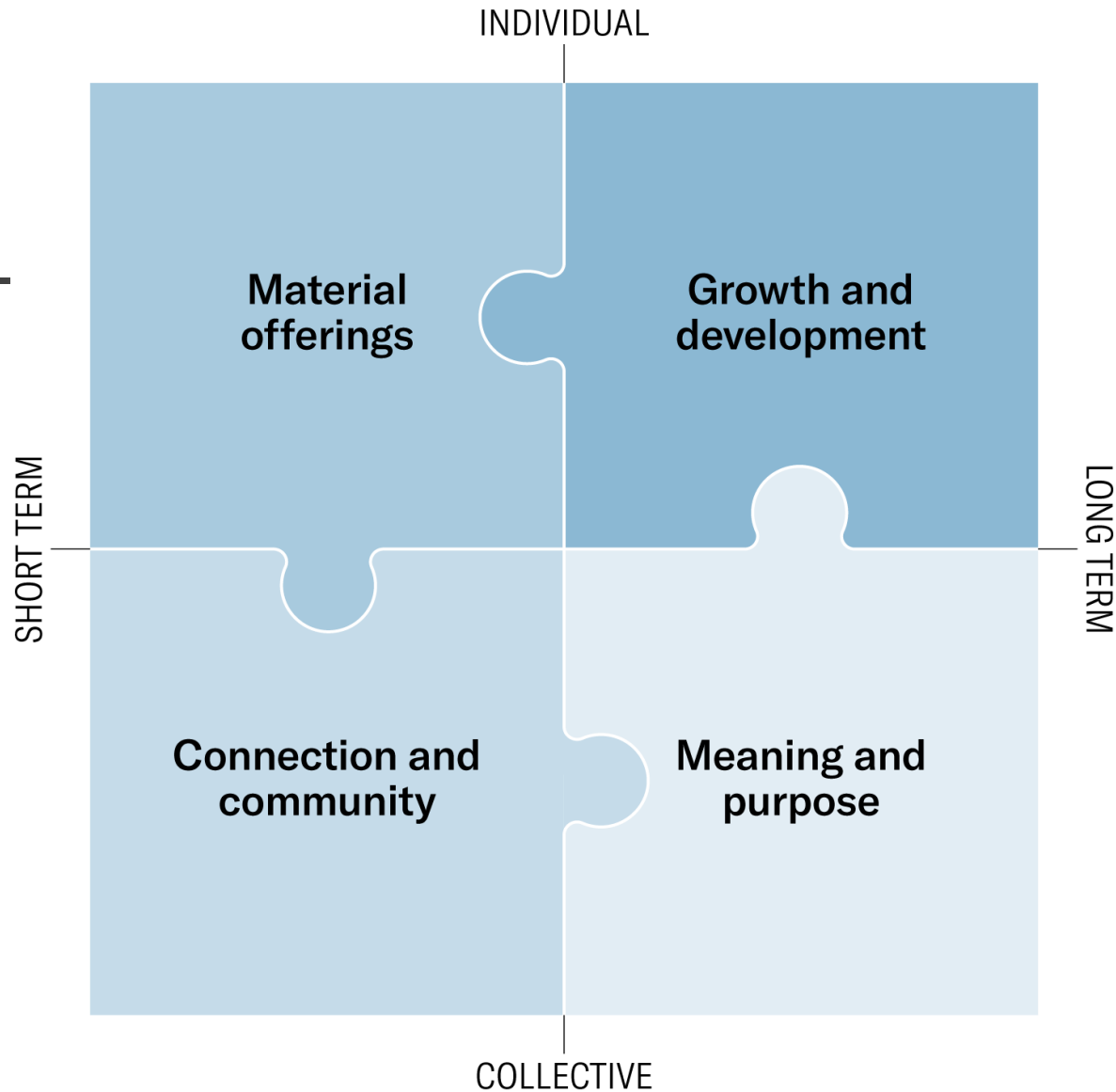


Getting and keeping talent

It is a complex balance

- Need to focus on both the short term – “materiality”
 - it is about money, office space, flexibility
- And the long term – “connection and community”
 - feeling valued, having friends at work/building positive relationships





In Summary -- HBR, Jan. 2023

Resistance to change may
challenge your ability to address
these issues





What should you not do?

- Try to solve the problem with short-term fixes (tightened controls, cuts, restructuring)
- Focus on “same ole, same ole” – it’s not business as usual
- Assume all will be well if you survive the crisis
 - Significant change is still needed (only 20% of heart attack victims change their behaviour – the rest die!)
 - Reduced urgency often blinds leaders to the need to adapt and change
- What **should** you do? Seize the moment

Remember – keep things in perspective





And remember to laugh

**US: WE CANT SHUT
EVERYTHING DOWN BECAUSE
OF CLIMATE CHANGE!**

**MOTHER NATURE: OH
REALLY? HERES A VIRUS.
HAVE A LITTLE PRACTICE!!**



Thank you

- Questions?