Should we call time on presenteeism?

Many companies such as Deloitte and Dropbox have adopted a "remote first" approach for their workforce. However, a growing number of firms are now demanding that employees work from the office most of the time. **Jasmine Virhia** and **Grace Lordan** warn firms to avoid the pitfalls of presenteeism, when employees feel pressured to be seen in the office, even when working from home would be more productive.

As summer draws to a close, did you notice a difference in how or where you worked the past few months? If not yourself, did you notice a difference amongst your colleagues? Have you ever traipsed into your office when you were feeling unwell? Made a long commute just to sit on Zoom calls all day? Needed to concentrate but showed up to an open-plan office just to show face, while your distraction-free home office lay idle? If you answered yes to any of these questions, there is a culture of presenteeism in your organisation.

Presenteeism <u>doesn't enable productivity</u> and is in fact costly to organisations. Estimates show that presenteeism cuts individual productivity by one-third or more (Miraglia & Johns, 2016). It causes people to become less engaged with their work (Ferreira et al., 2019) and reduces their overall job satisfaction (Côte et al., 2021). Presenteeism also increases psychological and physical risk factors associated with illness, resulting in greater absenteeism. When you force employees into the office, consider how much value is truly being added to the organisation's culture and acknowledge that presenteeism is likely doing more harm than good.

Professional workers gained insights into the benefits of "remote first" working during the pandemic. For months, they adjusted to working from home while office buildings across the globe sat empty. For some firms, this change was so effective that they opted to embed a "remote first" approach into their operations – for example, Deloitte, Dropbox and Slack. More still are wrestling to find their optimal operating model post-pandemic, with only eight per cent of Fortune 100 companies requiring full-time office attendance. This has direct cost reduction benefits, with 26 per cent of Fortune 100 companies

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- Date originally posted: undefined
- Date PDF generated: 10/10/2023

managing to reduce their office space. It also benefits employees, since the majority prefers a "remote first" approach.

Notably, employees dislike the idea of returning to the office for the sake of presenteeism so much they are even disregarding the directives of the C-Suite to return on a set number of days per week. They are instead opting for a mix of home and on-site presence that enables productivity and more autonomy. In 2022, David Solomon of Goldman Sachs demanded that workers return to the office five days a week but only half turned up. Today Goldman Sach's in-person attendance is almost <u>15 per cent</u> lower than it was pre-pandemic. Despite the stand-offs with employees, there is still a long number of companies who are insisting that colleagues return to the office full time including Bank of America, Morgan Stanley, Tesla and <u>Twitter</u>.

But is it worth the effort to get employees back into the office? There is good evidence that <u>'remote first' working</u> can increase productivity. Presenteeism made sense before the third industrial revolution, when productivity was dominated by industrial processing and assembly lines. Today, the evidence does not support being on-site every day of the week.

Whilst many of the office-first CEOs report that in-person working is necessary to maintain cultures of innovation and collaboration, it's apparent that this doesn't need to be five days a week. Companies adopting the hybrid approach are "gather[ing] for the moments that matter" as Adobe's chief people officer said, an "intentional mix of physical and virtual presence [...] driven by purpose."

This is further supported by <u>recent findings</u> from LSE's The Inclusion Initiative. Of onehundred people interviewed across financial and professional services in the UK, 95 per cent reported that hybrid working is their preference, with 35 per cent prioritising inperson work for creative problem-solving with colleagues. Notably, none reported fully remote as a preference and the five per cent wanting to be in the office full-time said that it enabled them to clearly separate their work and home life or increased their on-the-job learning opportunities.

Previous notions that being present in the office meant that you were engaged with your work no longer stand true. Demonstrations of organisational agility (<u>Teece et al., 2019</u>) have also changed as a result of the pandemic: evidence from longitudinal research

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indicate that levels of work-life conflict have decreased (Schieman et al., 2021) since before the pandemic, that work engagement has remained stable (Oksa et al., 2021) and that job satisfaction has increased (Niebuhr et al., 2022). In fact, an over-reliance on presenteeism and micromanagement leads not only to an increase in work-related illbeing but decreases in work engagement (Ferreira et al., 2019) and commitment to the organisation (Kaplan & Kaplan, 2018).

Given all that is at stake, we have put together four tips for leaders to let go of presenteeism:

Narrative vs necessity: Leaders should evaluate whether their expectations of people being present in the office is based on "the way things have always been done." If so, it's highly likely that a distorted view of productivity exists within your organisation. The longer this continues, the less likely you are to attract talent. You may even find your employees choosing to work elsewhere. High levels of presenteeism are concurrent with decreased commitment to the organisation, often resulting in increased turnover intention (Wu et al., 2023).

Output over observation: Delineate what outputs your team members are expected to produce within a given timeframe. Communicate clearly that colleagues should contact you if they get stuck or need extra support. Providing autonomy in this way not only demonstrates a leader's willingness to delegate control to employees (Seppälä et al., 2011) but also provides employees with decision-making latitude. In turn, those who feel trusted are more likely to exceed work-related expectations (Audenaert et al., 2016).

Valuable not vague: Requirements to be present in the office or on-site should be valuable for operations and employees alike. Leaders should have a clear grasp on when team members need to be on-site to fulfil operations and should provide a work structure around which employees are free to plan their schedules and tasks. Empowering employees to manage both their work and non-work responsibilities not only reduces rates of absenteeism (Rousseau & Aubé, 2013) but increases organisational commitment (Hutagalung et al., 2020) and retention (Liu et al., 2011).

Trust and time: Psychologically safe work environments are founded on high levels of trust. When your employees feel they can speak their minds without fear of repercussions or reprimand, they are more likely to be honest with their working

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preferences and how they prioritise their time to fulfil responsibilities and operations.

It is important to note that psychologically safe environments are not entirely free from tension or conflict. Instead, effort and time are spent on problem-solving rather than self-defending behaviours (Edmondson & Lei, 2014). Psychological safety can therefore be improved by framing mistakes as opportunities for growth and learning (Kahn, 1990).

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