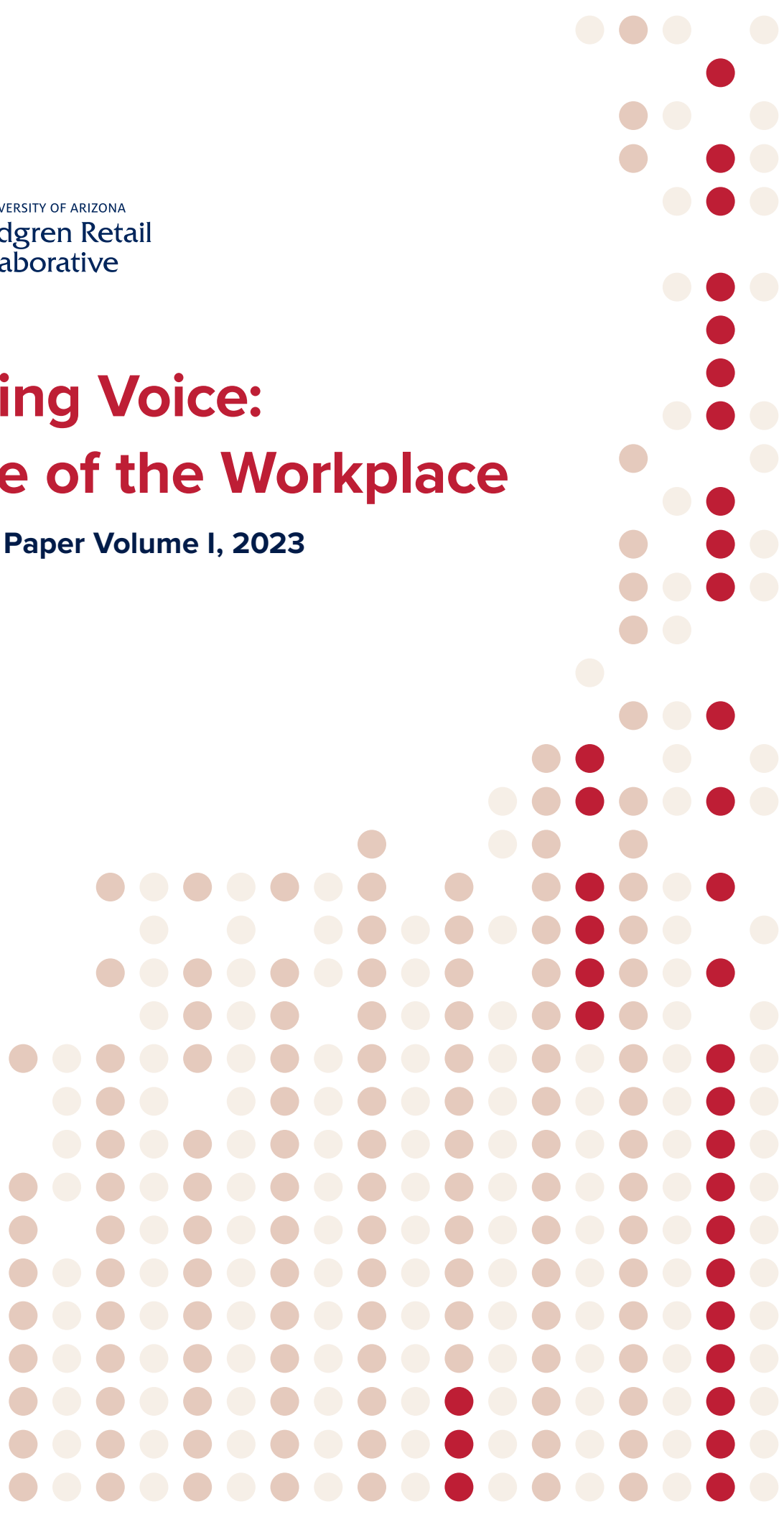THE UNIVERSITY OF ARIZONA
**Lundgren Retail
Collaborative**

Evolving Voice:
Future of the Workplace

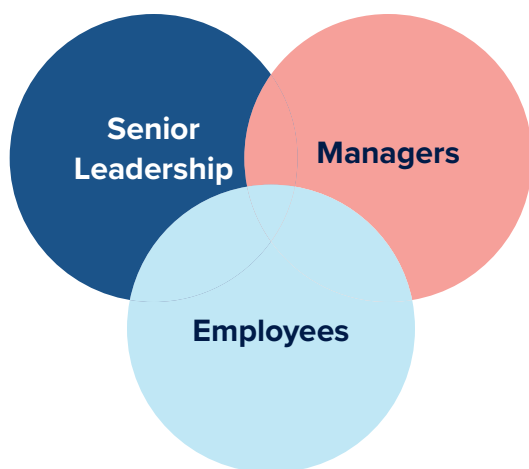## LRC White Paper Volume I, 2023

Content

The Problem

Retail organizations are struggling to understand how to adapt to the new era of flexible workplace expectations.

Driven by the pandemic era shift to working from home and a new generation of employees with strikingly different expectations, retail leaders face pressing questions about how the workplace should evolve. Should work return to the "fully in-office" model of the previous generation? Should the workplace become fully remote? What is an effective hybrid solution?

Most people consider the same topics when thinking about the future of the workplace.

Problem-solving   Team-building

Engagement   Productivity   Connections   Collaboration

Creativity   Networking   Flexibility   Efficiency   Finding-a-mentor

Wellbeing   Career advancement

The challenge is that stakeholders have divergent ideas about how the workplace should evolve.

Senior Leadership

Managers

Employees

Senior leaders tend to want to **go back to the way it used to be**

Next-Gen employees (Gen Z, Millennial, Digital Natives) believe **flexibility is the new normal**

Managers feel **caught in the middle**

In part, this may be due to generational differences or phase of life

"how can organizations create a workplace that balances business outcomes with employee expectations?"

"maintain productivity, meet employee expectations and create social capital"

Research Question

From the unique perspective of a Next-Gen employee about to enter the retail workforce, how should the workplace evolve?

To answer this, we conducted a multi-phase study of **students at the University of Arizona** about their ideas of work-life balance and their ideal future workplace (remote, hybrid, in-person).

Phase One employed qualitative methods (interviews and focus group) to explore themes within these topics.

Phase Two was a survey designed to expand and deepen the ideas that emerged from the exploratory work.

The Lundgren Retail Collaborative analyzed the data using qualitative and quantitative methodologies. We identified three novel insights and two implementation recommendations. These main findings are summarized next.

Insight One

There is anxiety around the transition from college to workforce.

Students in our study expressed a good deal of uncertainty about what is coming next. The COVID pandemic was a significant disruption to their college experience, and many are unsure of what "normal" is going to be going forward. This theme emerged during one-on-one interviews, and in survey responses expressing a desire for "structure" or "clear expectations" from employers.

"

"I feel like I'm so used to being in school and having this routine and always knowing what's next. I feel like going into the work force...it's more like going into the unknown."

"I also haven't been used to working five days a week. Even going to school I feel like in college I've normally had classes 2 to 4 days a week maximum, so it's definitely going to be a big adjustment if I do have to do 9 to 5, 5 days a week at least."

"Your whole life you have had something to follow like a syllabus and now it's a free for all."

Insight Two

These Next-Gen employees report surprisingly diverse preferences and motives.

We asked, "You are about to graduate from the University of Arizona. After an extensive job search, you have been given an offer by one of your dream employers. The hiring manager tells you that you can choose one of the following work arrangements..."

68%
Hybrid

23%
In-person

9%
Remote
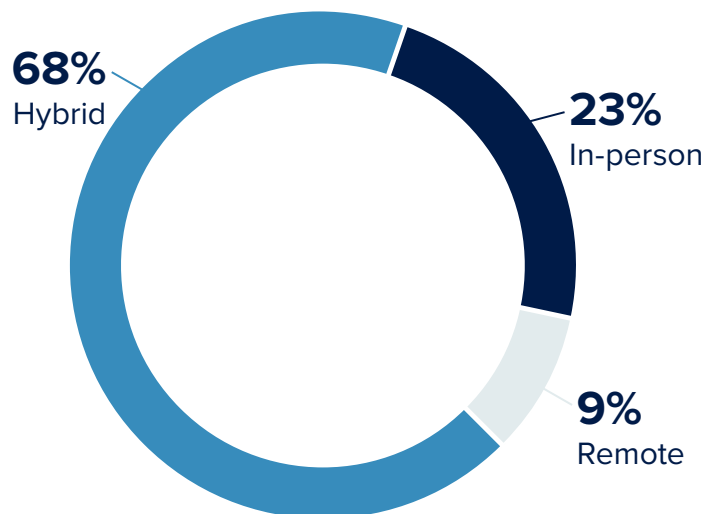
Only a small subset **(9%)** of students chose **fully remote work.** This group is primarily motivated by geographic considerations, such as wanting or needing to live in a specific location that is not near a dream employer's corporate offices. Example reasons include wanting to live with a partner who does not have flexibility, wanting to live near family, wanting to travel, wanting to live someplace more affordable.

Nearly a quarter **(23%)** of students chose **in-person** work. These students find it difficult to stay engaged and motivated while working remotely. They feel more productive in-person, and believe they would learn better, be more accountable, and be more likely to build social ties in a traditional work environment. A significant number mentioned that in-person work was better for their mental health, and that working at home was too stressful due to the lack of separation, too distracting and hard to focus. These students found that clear boundaries between work and home is a strong positive for in-person work.

Most students (68%) selected the hybrid work option.
Among these students, three groupings emerged:

A A sizable group *want to work in the office most days,* but strongly value *occasional days of remote work.* These students see the positives of in-person work most of the time, especially for increasing engagement and social ties, and for learning and finding mentors. They consistently mention the value of being a part of the culture and making connections. However, these students also strongly value the option to work from home on occasional days, for personal, mental-health, or productivity reasons. For these students, an ideal flexible work arrangement might be a **"flex option"**—expect 80% or more of work time in the office, but allow the option to work from home up to 1 day a week if they choose to.

B A second group had more ambivalence towards in-person work, but for potentially surprising reasons. While these folks saw value in the in-person work environment to improve *social ties, collaboration* and *innovation,* they also report that the traditional workplace can be *distracting* and *inefficient.* These students acknowledge that although some tasks require working together and in-person, for other tasks they believe remote work is more productive, creative and efficient. For these students, an ideal work arrangement might be to establish clear norms for each team about **"collaboration days"**—set days each week when teams are all expected to come into the office and work together. Noncollaboration days could be more flexible, allowing this cohort to decide for themselves whether they would be most efficient in the office or working remotely.

C The third group interested in hybrid work had mostly pragmatic considerations about flexible work, such reduced commuting costs, more time spent working, less time in transit, less time spent getting ready, lower costs of eating at home. This group also appreciates how flexibility helps them manage family responsibilities and personal life (travel, goals). However, they also value collaboration, relationships and social ties. This group might benefit from a **"hive-time"** arrangement, in which managers establish set hours, on pre-determined days, in which everyone is expected to be in-person. Outside of those times these employees would prefer to set their own schedules to allow them to balance pragmatic considerations with productivity.
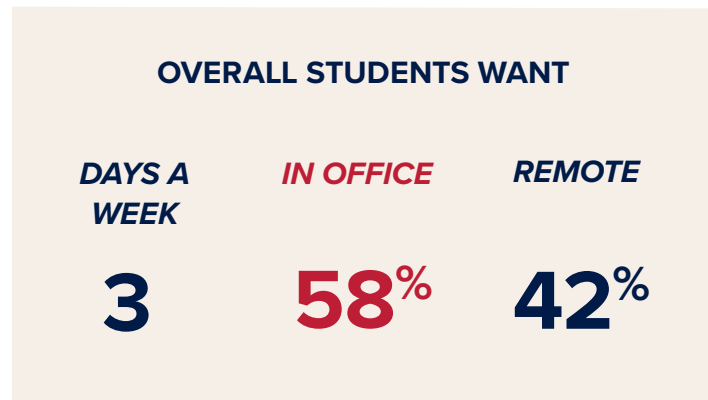
Insight Three

Although many students value time in the office, the desire for more flexibility than traditional workplaces offer is universal. Almost everyone reports wanting SOME time in the office, and SOME time remote.

We asked, "Ideally, what percentage of your working time would you like to work "in the office" vs. "remotely"?"

Overall, students want to spend most of their time, about 3 days a week, in the office (58%), and about 2 days a week at home (42%).

OVERALL STUDENTS WANT

DAYS A WEEK	IN OFFICE	REMOTE
3	58%	42%

Looking more deeply at the 68% of students who explicitly chose the Hybrid arrangement, they would prefer to spend the majority of their time in the office.

Companies could standardize hybrid workplace arrangements to expect a *minimum of 3 days a week in the office*.

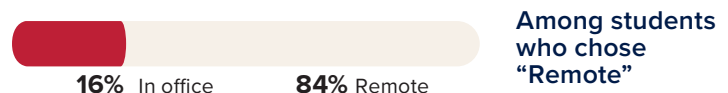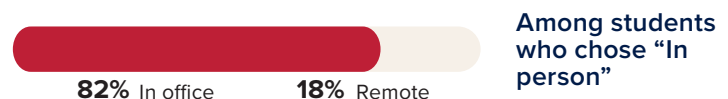**Everyone** believes *some amount of flexibility* should be a part of the ideal workplace of the future.

55% In office   45% Remote

Among students who chose "Hybrid"
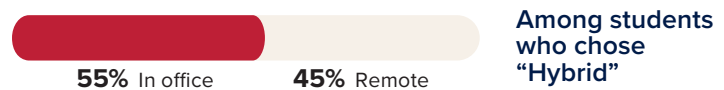
As expected, the "fully remote" and "fully in-person" groups varied widely on how much time they would ideally want to be in the office. **The key insight is almost no one on either extreme chose 100% remote or 100% in-person.**

82% In office   18% Remote

Among students who chose "In person"

16% In office   84% Remote

Among students who chose "Remote"

Putting Insights to Work

## #1 Align talent with organizational objectives

Companies should consider what workplace arrangement is best aligned with their needs, and then work to attract people from the corresponding segment.

These five segments emerge from and reflect the distinct Evolving Voice motivation profiles discussed earlier.

Hive Time: managers establish set hours, on pre-set days, in which everyone is expected to be in-person. Outside of those times these employees prefer to set their own schedules, allowing them to balance pragmatic considerations with productivity.

Collaboration Days: set three collaboration days each week when all team members are expected to come into the office and work together. Noncollaboration days are flexible, allowing this cohort to decide for themselves whether they would be most efficient in the office or working remotely.

Flex Option: expect to be in the office 80% or more, but the option exists to choose to work remotely up to 4 days a month.

Fully Remote
Hive Time
Collaboration Days
Flex Option
Fully In-Person
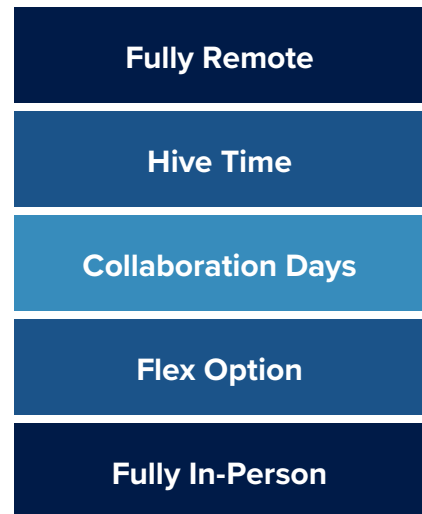
The right balance of flexibility and structure will allow *all stakeholders* to achieve Business Outcomes and meet Employee Expectations.

#2 Establish clear norms

If flexible work options are available, managers should establish and communicate clear norms around when employees are expected to collaborate.

The groups varied in how much time they want to be at-work vs. remote. But a *common* theme across groups is that there is value in time spent with colleagues, and that knowing the expected "routine" is vital.

Create and communicate NORMS about when, how, and why teams will gather together.

What days or times does the team have to be in the office? What is the purpose of the gathering?

Clearly specify the days and times employees are expected to be in the office. If employees work remotely, set clear expectations about when they are expected to be available for meetings and if, when, and why they might need to be in the office.

There is no one-size-fits-all, perfect solution.

*Therefore **experimentation**, open **communication,** and **willingness to change** must be the guiding principles for all companies crafting flexible work practices.*

Research Methodology

1. Review and Synthesize Secondary Sources
2. Exploratory depth-interviews and focus group
3. Qualitative and Quantitative Primary Research Survey

Secondary Sources

https://www.microsoft.com/en-us/worklab/work-trend-index/great-expectations-making-hybrid-work-work

https://www.pewresearch.org/social-trends/2022/02/16/covid-19-pandemic-continues-to-reshape-work-in-america/

Survey Demographics

- 323 responses
- 44.3 % Female, 55.4% Male, 1 choose not to respond
- 80% Junior, 13.6% Senior, 5.3% Sophomore

White Paper Motivating Questions

- Terry Lundgren, Lundgren Retail Collaborative. Fall 2022, personal correspondence.
- MSI 2022-2023 Research Priorities

Questions or Comments?

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About the Lundgren Retail Collaborative
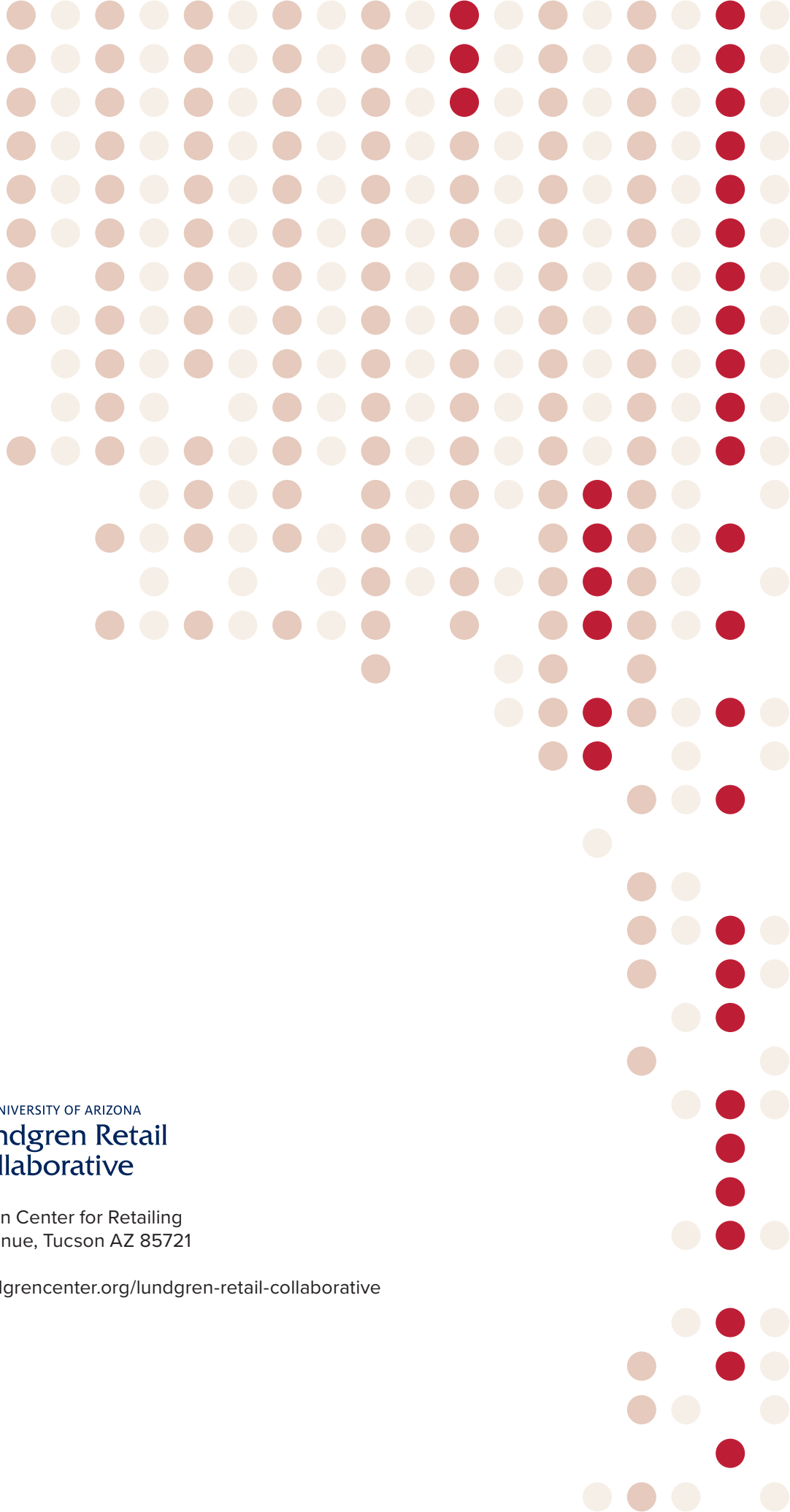
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