NEWS BRIEF



MPLOYCO USA

The Power to Compete

Report: Employers, Employees Find Mixed Results in Return-to-Work Programs

As major employers increasingly mandate a return to the office (RTO), the impact on employee morale remains mixed. A recent <u>survey by Pearl Meyer</u> involving 300 HR professionals and leaders revealed that 37% observed improvements in employee morale and culture following RTO implementation, while 42% reported a negative impact.

In terms of retention, the report showed that 39% of leaders were uncertain about RTO's effects, 31% noted no impact, 17% perceived a negative impact and 12% observed a positive impact. Regarding recruitment, 30% reported no impact, 28% were unsure, 25% experienced negative effects and 18% saw positive outcomes.

Despite these mixed results, companies like J.P. Morgan Chase & Co., AT&T and Amazon are moving toward full-time in-office requirements. The industry giants recently announced five-day-per-week RTO policies, aligning with similar mandates from firms such as Goldman Sachs. Executives believe RTO will foster collaboration, enhance team cohesion and boost productivity through direct, face-to-face interactions.

Notably, University of Pittsburgh researchers found that strict RTO policies, wherein all employees must physically return to the office up to five days per week with minimal flexibility for remote work, may lead to increased turnover. S&P 500 companies enforcing RTO experienced higher employee turnover and longer hiring times, particularly among women, senior employees and highly skilled workers.

"We've decided that we're going to return to being in the office the way we were before the onset of COVID. When we look back over the last five years, we continue to believe that the advantages of being together in the office are significant."

- Amazon CEO Andy Jassy

Employer Takeaway

While job flexibility can support employee morale, the actionable results can be mixed. The feasibility of remote and flexible work options will depend on the type of role and the industry, with the right RTO decisions varying by employer. Employers should continue to monitor RTO trends to inform workplace strategies. Contact us for more resources.

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