

The Cost of Inaction: Introducing Work + Place

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The very definition of work has evolved dramatically in a relatively short period of time, providing a range of potential benefits, and pitfalls, for employers of all shapes and sizes. Avoiding the realities of this new normal, and resisting the changes that are occurring in today's employment landscape, is no longer an option. Employers need to adopt new strategies and adapt their workplace practices to overcome the challenges and reap the rewards offered by this brave new world of work.

As the pandemic gradually subsides employees are leaving their jobs at unprecedented rates. The numbers range widely, but some estimates suggest up to two-thirds of workers are looking for a new job. With the cost of losing a single employee ranging from tens of thousands of dollars to twice the employee's annual salary, most employers can't afford to see the rates of turnover that are widely anticipated, and in many cases already underway.

This "turnover tsunami" or the "great resignation" has many causes, ranging from changing lifestyle preferences to new career opportunities in a hot employee market. One of the primary drivers, however, is a desire for more flexible working arrangements.

“ Our grandparents were part of the production generation; our parents were part of the service generation; and the current generation are in the thick of the identity generation, ”

explains Stacey Litwin-Davies, Cresa’s Principal of Consulting.

“ This generation is looking to identify with the companies they join, and work/life balance is key. A company’s remote work solution – or lack of one – will help drive some companies to the top, and others to the bottom. ”

Litwin-Davies explains that, now that employees have had an opportunity to work remotely, many are choosing to switch jobs in order to maintain a higher degree of workplace flexibility. In fact, according to a recent global study conducted by Microsoft, 73% of workers want a more flexible work arrangement. Another study conducted by Bloomberg found that 39% of workers would consider quitting their jobs if their employer failed to provide more flexible work options.

We know the issues surrounding this evolution towards a more flexible workplace are complex, ranging from data privacy and security to employee culture and camaraderie to digital transformation. The fear of change is real, but now is not the time to be paralyzed into inaction. Many employers have understandably taken a wait-and-see approach to these changes, unsure of the picture that would emerge after an unprecedented 18 months, but now the data is clear; those who fail to act quickly are putting themselves at risk of getting swept away by the turnover tsunami.

Change can come in many different forms, and the flexibility that workers are demanding isn’t just one thing, but can fall along a spectrum that meets the needs of employers and employees of all shapes and sizes. You don’t need to have all the answers right now, but you also can’t afford to ignore the questions, and avoid taking those all-important first steps.

“ The reality is that your employees aren’t willing to wait much longer; they want clarity about what to expect, when to expect it, and to know whether your intentions align with their needs. As intimidating as the prospect of change can be, and despite the very real fear of making mistakes in the process, there is an even greater cost associated with inaction. ”

states Jamie Grossman, Managing Principal of Cresa’s Toronto office.

Instead, employers have the opportunity to flip the script, to become a leader rather than a reluctant follower. In this moment of dramatic change, it is far better to try and fail — to demonstrate a willingness to experiment and an openness to new ideas — than to continue waiting. The choice for employers is clear: be decisive and demonstrate leadership in times of uncertainty, or delay until the change is forced upon them.

There is no going back to pre-pandemic norms, the workplace has evolved dramatically this past year, and so too have the needs and expectations of your workforce. Now is the time to take control of the situation, to be decisive and to boldly venture into the unknown.

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