

The Return-to-Office Decision Post-COVID: The Effects on Firm Performance

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Abstract

Business leaders are facing critical, post-COVID return-to-office decisions that will impact organizational culture, employee engagement, and firm performance. The COVID Pandemic's effect on workforce dynamics, employee engagement, and organizational trauma have been adequately researched separately. However, the relationship between COVID return-to-office transitions, employee engagement, and organizational trauma has not been adequately studied together. This article examines how leaders can implement a Return-to-Office process that sustains employee productivity, a healthy organizational culture, and firm performance in the aftermath of COVID-19 which we characterize as a traumatic event. Specifically, we explore the Organizational Trauma caused by COVID-19, the dramatic and sudden mandatory shift to remote work, and the effect on employee engagement and ultimately firm performance. Organizational trauma may result from a single devastating event, the effects of several harmful events, or cumulative trauma.¹ Leadership decisions post-COVID could be more harmful than helpful and can cause the organization to suffer again from various forms of trauma. For example, when leaders make return-to-office decisions, they should include the psychological factors that their decisions have on employees' discretionary effort, voice behaviors and firm performance. We explore how HR and business leaders can demonstrate healthy decision-making and implementation processes that will not retraumatize employees nor endanger the organization's success. Further, we examine productive interventions for today's leaders as they seek to adjust to changing employment conditions.

Introduction

With the rapid pace of technological innovation, and the continuous, global political and cultural unrest, organizations have struggled to enhance and sustain the health and well-being of their Human Capital as a competitive advantage strategy. In some cases, the organizations and the people therein have experienced a great deal of trauma. “Organizational trauma results from a major event, a series of drastic events or ongoing conditions, that are experienced as toxic or threatening to the survival, the coherence, or the healthy functioning of a living system (team, department, group, organization etc.) because the ability to confine the intense, emotional charge that comes free, is overwhelmed. Often, this leads to an unhealthy dynamic that, suddenly or incrementally, infiltrates the dynamics of that living system to the extent that its normal, resilient functioning is impaired.”²

For many organizations, the COVID 19 Pandemic has been that source of trauma, affecting the organization’s survival and competitive advantage. A Department of Health and Human Services study showed that 39% of adults surveyed reported symptoms of psychological distress, 27% reported sleep interruption and 19% report feeling depressed during the early COVID-19 pandemic. Many organizations experienced increased attrition, talent shortages and forced remote work as a result, the success and sustainability of some organizations have suffered. The US Department of labor research shows that 2.9 million jobs disappeared during the COVID period however, the percent of workforce with a college degree increased by 4%.³ A National Bureau of Economics Study showed COVID forced 37% of the US workforce into remote work by 2020, 74% of workers changed to either remote or hybrid work modes.⁴ During the pandemic, many employees were laid off and others sent home to work. The sudden shift to remote work or no work left individuals, companies, and industries in a new situation without the experience, tools, or ability to quickly adjust and respond. This sudden, abrupt workforce jolt is a classic cause of organizational trauma. Trauma is often associated with individual reactions to external events; however, it can also exist at a group and organizational level.

Trauma is caused when situations leave the individual impaired in some way; with no tools, experiences, or strategies to cope with or overcome the effects of the disruption. A trauma response occurs when individuals experience events or incidents that cause psychological pain and harm that makes it difficult to respond and rebound. “Trauma after existential threats to human beings can lead to depression and stuckness seriously damaging the capability to interact with others in society.”⁵ Post-traumatic events can cause similar effects at the organizational level because the trauma

experienced by individuals or groups can spread throughout the organization and last well beyond the event that caused the original trauma.⁶ Moreover, “unresolved emotional trauma in many organizations blocks peoples’ capacity to be effective and the ability to perform.”⁶

Organizations can remain in a chronic post-traumatic state when it occurs in an existing culture of silence that mutes or ignores the traumatic experiences of individuals in the organization. A Culture of Silence⁷ establishes the norm of withholding important information because the consequences of speaking up are too high. This is not because workers are insidious, rather it is because they are reacting to leadership behaviors that they perceive as unsafe, unfair or absent.

When employees experience organizational trauma in an existing Culture of Silence, they are unable or unwilling to speak up about their experiences which makes it nearly impossible to reach a state of emotional security or recovery. Without recovery, employees are likely to remain in a state of (unresolved) trauma which perpetuates silence and leads to contractionary discretionary effort. In addition, organizational trauma can lead to regrettable turnover. Leaders must be prepared to recognize the signs of trauma and if relevant, the signs of silence in their organizations and to properly intervene. The ability to recognize, accurately interpret these signs, and intervene also applies to planned organizational changes. Leader behaviors can support healing and renewal after traumatic events and can contribute to increased engagement levels and healthy organizational cultures.^{8,9} Organizational trauma is preceded by a disruptive event such as a global pandemic which can ultimately affect firm performance. This relationship is discussed next.

Disruptive Events, Organizational Trauma and Firm Performance

Disruptive events can occur quickly, without advanced warning or preparation leaving employees stuck without a clear path to take. What do employees do when they do not know what to do? Many look to leadership for guidance and direction; but what happens when leaders are also stuck? In organizations and in one's personal life, being stuck can affect progress and productivity.

Figure 1 represents the hypothesized relationships between disruptive events, organizational trauma and organizational culture factors that influence firm performance. This conceptual framework illustrates our belief that organizational culture shapes the way in which an organization addresses and deals with disruptive events that cause trauma at the individual, group and organizational levels impacting firm performance.

Figure 1. Conceptual Framework



Disruptive Events

Disruptive events occur with every revolution of the Earth, and it can be very unsettling. It is a natural and necessary phenomenon that can cause great pain or immense joy and opportunity. For organizations, external forces can cause changes that disrupt the way the organization functions and can send a significant vibration throughout, sometimes causing trauma that leaves the organization unable to appropriately respond. Disruptive events can be caused by either external or internal events.

External disruptive events

External disruptive changes do not have to signal death for an organization; while disruptions cause disequilibrium, periods of uncertainty, instability, they can also offer periods of opportunity.

External events forces can cause adjustments that have no solutions from past experiences; these challenges leave employees flat footed¹⁰ and in search of different and new solutions. The COVID Pandemic remote work and return-to-office transitions are adaptive challenge examples because there is no example to follow.

Leaders were called on to be critical thinkers; scan the environment, forecast future needs and prepare the organization to respond. Leaders were caught by surprise while trying to guide others through this event. Like the sudden and new COVID-19 jolt, traumatic events can't be remedied by using routine responses that have worked in the past. Leaders who attempt to remedy trauma using past routines, can cause further harm. This may be true for post COVID-19 return-to-office transitions.

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We recommend leaders follow the steps described below to cope with adaptive challenges.¹¹

1. Identify and name (adaptive challenge) the trauma, e.g. COVID-19 Pandemic workplace transitions.
2. Frame the key questions and issues that must be addressed.
3. Protect people by managing the rate and amount of change at one time.
4. Help the workforce transition by orienting associates to new roles and responsibilities needed during the remedy process.
5. Clarify business realities (desired future state) and key values that will guide the remedy process.
6. Maintain organizational non-negotiable norms that must endure and challenge those that need to change, such as collaboration, cooperation and knowledge sharing.

A successful trauma response includes leaders openly listening to the employees' voices and learning from them. While "voice" can sometimes create or increase disequilibrium, there is value in hearing other's perspectives and using their wisdom in the organization's response to challenges. Leadership listening behaviors are critical because they facilitate engagement in the transition process and increase the probability of commitment to it. Leaders must be prepared to encourage upward communication with authenticity and a strong learning orientation.¹² Encouraging upward communication is a process of inquiry and active listening. Leaders must demonstrate authenticity by acknowledging and legitimizing associates' voiced concerns, questions, expressions of frustration and anxiety or joy. Individual leadership practices usually reflect organizational culture which is a dominant force. In addition to external disruptive events, internal disruptive events can have a similar impact on firm performance.

Internal disruptive events

Internal disruptive events that can cause traumatic outcomes range from business decisions such as mergers and acquisitions to changes in organizational structures such as organizational downsizing or layoffs. Organizational downsizing is a significant internal organizational event that can cause trauma. Organizational downsizing, which refers to the deliberate reduction in the size of an organization, can have a significant impact on employees' emotions; during such times, leadership should be transparent and communicate openly with employees to minimize the negative emotional consequences of downsizing.

During COVID, many organizations had to downsize or completely restructure in order to remain viable. As a result, the employees and the organizations experienced trauma. The emotional consequences that downsizing had on employees can be characterized by:

1. Fear and uncertainty: Employees may feel fearful and uncertain about their job security, especially if they see colleagues being laid off. They may worry about whether they will be the next to go, and this can lead to anxiety and stress.
2. Loss of morale and motivation: Downsizing can lead to a loss of morale and motivation among employees, particularly if they feel that their efforts and contributions have gone unrecognized. Employees may feel less motivated to perform at their best, and this can lead to a decline in productivity.
3. Anger and resentment: Employees who are laid off or who see their colleagues being laid off may feel angry and resentful towards the organization. They may feel that the organization has been unfair to them and that their loyalty and hard work have not been valued.
4. Grief and sadness: Downsizing can also lead to feelings of grief and sadness, particularly if employees have worked for the organization for a long time and have developed close relationships with their colleagues. Employees may mourn the loss of their colleagues and the workplace culture that they have been a part of.
5. Reduced trust and loyalty: Downsizing can erode employees' trust and loyalty towards the organization. They may feel that the organization has broken its promises to them or that it does not have their best interests at heart.

In cultures where organizational trauma exists, leaders must not only be aware of the existence of the trauma but also be conscious of their actions to avoid causing additional trauma. “Leader behaviors influence organizational culture and employee behavior is influenced by the stability and instability of organizational culture.”⁸ Disruptive events can cause trauma at the individual, group and organizational levels; the resulting trauma can influence how the organization moves forward. External and internal disruptive events are the antecedent to organizational trauma and can affect the stability of organizational culture and firm performance.

Organizational Trauma

Traumata are resulting wounds, physical and psychological, from disruptive events that leave the survivor in a state of helplessness; the effects of trauma ranges in duration and severity.¹³ One experiences trauma when

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the world around us changes and the change disrupts our ability to respond to the change. Our response to the disruptive change is based on our ability to draw on our previous similar experiences. Our response can be impeded because there just is no reference point to draw from; there is no past experience, tools, or prior response that seems suitable. Trauma can be felt at the individual level, group or organizational level. Venugopal asserts “in general, organizational trauma is a result of stress (both physical and emotional) in the workplace.”^{14,15}

When considering the nature of organizational trauma, it is best to examine its various dimensions. The effects of organizational trauma can be felt at the individual level and group level. Typically, when one thinks of trauma in an organization, scenarios of mass shootings, acquisitions & mergers or even mass layoff come to mind. In some cases, though, trauma can be the result of a thousand tiny cuts over time such as acts of incivility in the workplace, sexual harassment, racial discrimination and micro-aggressions. The effects of these types of incidents can have cascading effects from a single individual or throughout the organization; effects that paralyze how the individual and the organization responds.

Trauma may come in many forms and with varying levels of intensity; the resulting effects may be intermittent or chronic; it may be experienced firsthand or more vicariously. No matter the precipitating event, the resulting trauma can affect individuals involved and the entire organization. “It becomes an underlying disease that presents as organizational stuckness.”¹³ There are various reasons that an individual or organization could become stuck:

- organizational history,
- the desire to maintain current practices regardless of their outcomes,
- organizational culture, and
- leadership philosophy and values.

“Organizational effectiveness hinges on coordinated leadership being enacted from leaders residing within multiple hierarchical levels, whose leadership shapes crucial individual-, team-, unit-, and organizational-level outcomes.”¹⁶ Therefore, leaders play a critical role in trauma management in an organization. Organizational trauma responses can take the form of silence, changes in workforce performance and regrettable turnover.

Changes in workforce performance at the individual level can show up as aggression, cynicism, distrust, lack of focus, high absenteeism, and turnover.⁶ Like the stages of grief, individuals who experience traumatizing events exhibit a host of emotions in their quest to regain a sense of normalcy and safety. At the organizational level, one might experience the results of trauma

in ways that mirror individual responses but at a larger scale and collectively can impact firm performance.

How well a firm performs is usually determined by the amount of profit and the growth realized at the end of a designated period as a result of the business strategies. Firm performance drivers have been studied extensively with inconsistent results. However, many reliable studies show a correlation between executive leadership practices, organizational culture and firm performance.¹⁷ Firm performance can be measured by (stock) market value and revenue. In addition, Fortune Magazine's "Most Admired" ranking, Analysts' stock recommendations and Glassdoor ratings can be used to evaluate firm performance and reputation.¹⁸ "The burden of achieving performance within an organization lies directly on the leadership of the organization, as they are required to make and implement decisions/strategies that will result in achieving the goals and objectives of the organization"⁵⁰

Next, we explore the relationship between post-COVID return-to-office strategies, leadership decision-making, turnover, employee discretionary effort and firm performance as shown in Figure 2.

Post COVID - Return-to-office

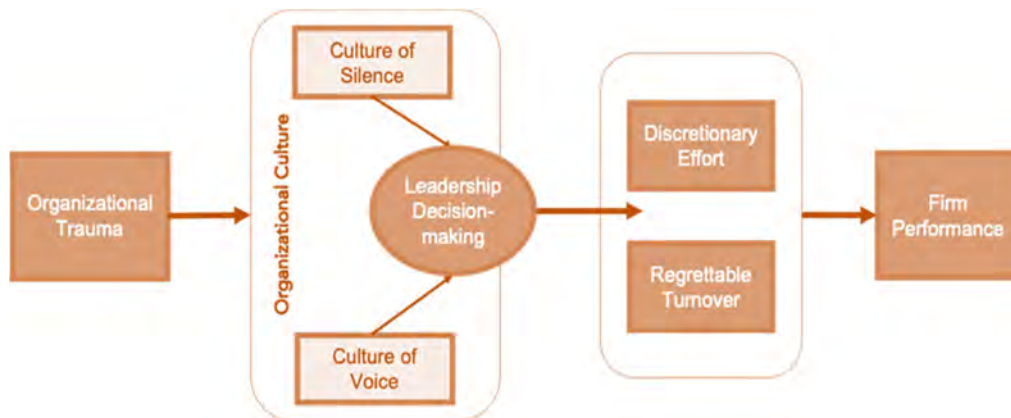
The return-to-office strategy should be carefully designed because ultimately it can affect firm performance. It is up to leadership to foster spaces where members of the organization have a voice and feel safe in using their voice, especially during times of uncertainty, change and challenge.¹⁹ We examine how both organizational cultures of voice and silence influence healthy and productive responses to adaptive challenges, in particular, the post-COVID return-to-office transitions and the impact on firm performance.

In the wake of COVID-19, many organizations have had to determine when to bring their employees back into the office. For some, the transition has been seamless, while others continue to struggle with the best process and most appropriate timing. The post COVID Return-to-Office transition can impact employee motivation, which is a key factor in determining the level of employee discretionary effort. Leaders can encourage employee commitment to the transition. Research shows that employees are more motivated²⁰ when they receive clear direction, decision-making rationale and when they have a voice in the process. In addition, when employees feel emotionally safe in the workplace and when they trust their leader, their emotional commitment rises. Conversely, leaders can demotivate employees by setting unrealistic expectations, neglecting to provide feedback, or making decisions in a vacuum (decide and announce); when this happens, employee

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speculation rises in the absence of information. Speculation increases stress levels and anxiety which can decrease productivity. A common response to anxiety and stress is contractionary discretionary effort and turnover. Both variables can impact firm performance. The relationship between Trauma, Culture, Leadership Decision Making, Discretionary Effort,²¹ and Firm Performance is depicted in the figure below.

Figure 2. Conceptual Framework: Impact of leadership decision-making



Organizational Culture

Organization culture shapes the way that the organization and the individuals therein respond to the world around it including disruptive episodes and traumatic events. In most hierarchical organizations, the implicit power structures clearly define who has power and authority. When it is used in healthy and productive ways, organizational cultures benefit. In healthy organizational cultures, associates are more likely to experience emotional safety.²² They can contribute in ways that add value to innovation, and problem-solving processes. When associates do not feel emotionally safe, they are more likely to withhold important work-related information. This is not because they are insidious but rather, they have a desire to stay safe and free from any retribution for speaking up. When this withholding pattern becomes the norm, it is known as a culture of silence.⁷

Culture of Silence

According to Bogosian and Mockler,⁷ Cultures of Silence exist when associates willfully withhold important work-related information. Silent cultures are primarily caused by four drivers: (1) fear of retaliation, (2) perceptions of unfair behaviors and practices, (3) a sense of futility and (4) affiliation (social). Fear of retaliation exists when employees experience

(perceived) egregious leadership practices. Basically, fear sends them underground. Egregious leadership practices have bottom line consequences. Approximately 14% of the US workforce experience (perceived) egregious leadership practices and costs organizations approximately \$24 billion in absenteeism and turnover, \$44 billion in lost productivity and \$50 billion USD in medical expenses.²³ These emotional (self-protectionism) and financial costs are unsustainable.

When employee silence permeates a culture, organizations end up with a Culture of Silence. For example, in one global financial service organization, a strategic paradox forced associates to meet sales performance goals even though doing so could result in illegal and unethical practices. As reported in the WSJ, when one associate questioned the practice of creating phantom bank accounts to meet required marketing and sales goals, they were told, "You know what your goals are, get with the program". The result was an ethical crisis for the organization where the CEO was dismissed and had variable compensation clawed back.²⁴ Those who heard the exchange remained silent to stay safe and followed the rule. Another more historical case involved the Titanic. This organization had a classic Culture of Silence. In a final pre-maiden voyage meeting, Charles Ismay, former Star Line Chairman, spent three hours talking about the first-class cabin carpet color. Engineer's concluded that safety wasn't important and remained silent about it. The rest is history.

These two examples reflect organizational trauma. We can assume that in a Culture of Silence, employees dealing with post-COVID return-to-office transitions are on their own to make sense of the situation. In a Culture of Voice employees are encouraged to speak up about their experiences and to receive support.

Culture of Voice

Cultures of Voice exist when employees feel safe and encouraged to speak up without fear of reprisal.²⁵ This Culture type requires dual disciplines; (1) leaders who encourage upward information flows and (2) employees who feel safe speaking up to leaders about the good, the bad and the ugly without fear of retribution. Some organizations refer to this dynamic duality as "Speak-up, Listen-up." This cultural duality characterizes both the leader's interest and willingness to encourage and listen to upward communication and associate's willingness to speak up.

A Culture of Voice can minimize operational, fiduciary, and reputational risk because information flows upward to decision-makers who have the formal authority to act on new information. For example, at one national organization, an associate willingly raised a warning flag when a shipping

vessel's hull (depth) jeopardized the regional power grid whose lines were buried underwater in a shipping lane. The associate was formerly rewarded for "Speaking Up." This intervention is a good example of risk mitigation in a Culture of Voice. However, organizational risk increases dramatically in a Culture of Silence. Cultures of voice and silence are influenced by leadership decision-making patterns.²⁶

Leadership Decision-making

Leadership within an organization is made up of the various processes that guide the organization to accomplish its goals and reach its vision. One of the most significant leadership responsibilities is decision-making because it impacts associates at the business unit and perhaps enterprise levels. "The choices that leaders make can cause changes in the organization that shift or strain individuals' sense of self and challenge identities. The self-concept of the employee will influence the ability of the organization to meet its goals and objectives."⁸ The associate culture is very adept at following leadership decision-making patterns and responding accordingly. For example, if associates identify centralized decision-making norms, they refer to this in the vernacular as, "his/her way or the highway." Decision-making, at the associate level becomes a cycle of parent-child-like dependency where associates check in with the leader before making any decision to avoid negative repercussions. Inclusive and directive decision-making are discussed next.

Inclusive versus Directive Decision-Making

Inclusive (e.g. Consensus) and directive (Decide and Announce) decision-making methodologies are two different approaches that can be used to make decisions in various settings, in business and organizations. The main difference between these two methodologies is the level of control and ownership in the decision-making process. Figure 3 below depicts 5 decision-making methodologies on an Involvement (X axis) and Ownership (Y axis) scales.

Directive decision-making methodology (Decide and Announce) is common and involves a top-down approach, where a leader or decision-maker decides based on their expertise and experience and announces the outcome to stakeholders with no input. The decision-maker provides direction and specific instructions on how to execute the decision. This approach is often used in situations where there is limited time or resources, and a quick decision needs to be made. This approach is generally best suited for structured and urgent problems where the decision-maker has a clear understanding of the issue and potential solutions. For example, in the event

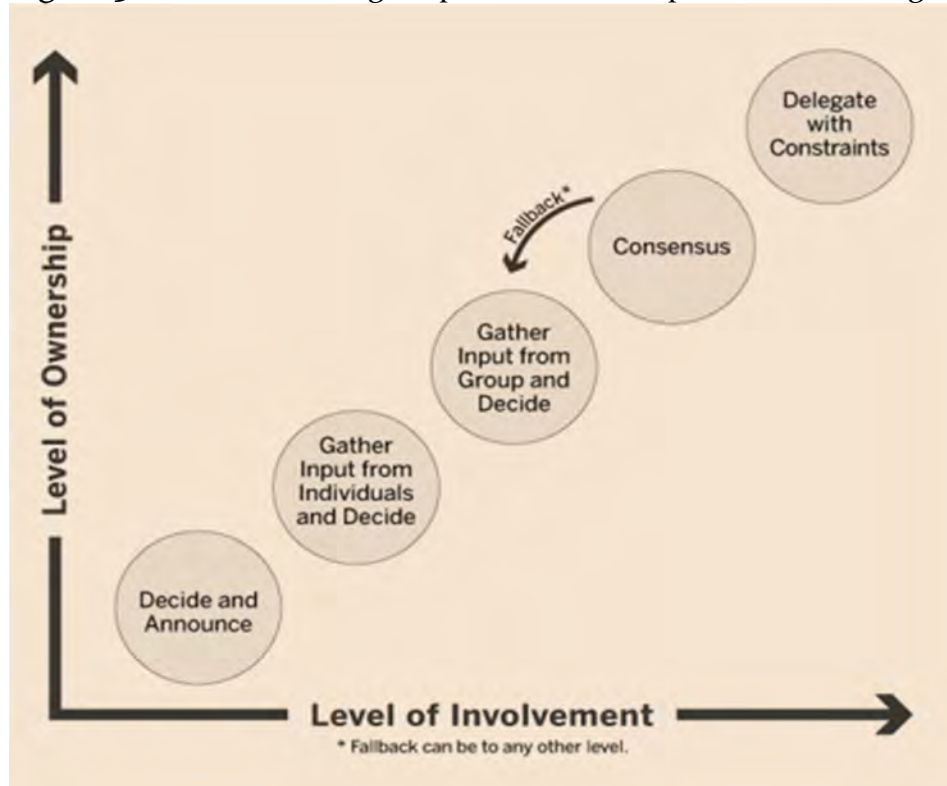
of a fire, the leader may tell everyone to exit the staircase immediately. Employee input or collaboration is inappropriate.

Inclusive decision-making methodology, on the other hand, involves key stakeholders more in decision-making. In this approach, the decision-maker works with an individual or team to gather information and perspectives from various stakeholders. This approach allows for a more inclusive decision-making where the decision can be adjusted based on new information or changing circumstances. This approach increases input from stakeholders and is generally best suited for unstructured problems where there is a need for involvement and divergent thinking.²⁷ Delegate with Constraints has the highest level of involvement and (stakeholder) commitment to the decision outcome. This method is used when the leader desires the highest level of decision commitment possible. The stakeholders become responsible for the decision based on leader-provided constraints. For example, in one financial services organization experiencing physical real estate space constraints in a growth period, the leaders delegated the work schedule optimization decision to those who supervised the daily work production. That group met for several weeks and proposed a flexible 12-hour, 3-day work schedule that met the requirements. The final decision was successfully implemented for 1.5 years until real estate space constraints eased.

A Decide and Announce methodology should be avoided to eliminate re-traumatization. Consider two scenarios: (1) the leader community decides that “Return-to-Office” will commence on a specific date and (2) the leader community launches a survey and focus group follow-up sessions that add one month to the additional implementation timeline. The consequences of these two decision-making methodologies are diametrically opposed. Scenario 1 will likely result in obedience with low commitment and Scenario 2 will likely result in higher commitment and acceptance among the associate population. Decisions have higher failure rates when they are minimally informed or based on the leaders’ preconceived notions or ideas.²⁸

While the directive decision-making methodology is more structured and efficient, it can be limiting in situations where there is a need for more knowledge and stakeholder commitment. The inclusive decision-making methodology²⁹ (Delegate with Constraints) is more involved and may require more time and resources. It has higher ownership and accountability compared to the Directive (Decide and Announce) approach. The methodology choice should depend on the nature of the problem, available resources, and the organization's goals and values. A combination of both methodologies may also be appropriate in certain situations to ensure both efficiency and decision-making success.

Figure 3. Decision-Making: Impact of leadership decision-making



Leadership should establish an environment of mutual trust that enables employees to have a voice and be a part of the decision-making process.³⁰ Because employees' actions determine business success and help drive competitive advantage, leadership decision-making should be considered a viable strategy to firm performance. "During change resulting from a crisis, leaders should be candid and forthright with their staff concerning the crisis. Leaders should actively and efficiently involve appropriate staff in the decision-making process related to changes in the organization to improve resilience. Staff should be kept abreast of the organization's progress, and obstacles that may have occurred to impede set goals for establishing resilience."³¹ When disruptive events occur in an organization, it is important to remember that leadership practices can directly affect the work environment promoting or inhibiting employee discretionary effort and turnover intentions.

Employee Discretionary Effort

Employee discretionary effort refers to the voluntary, extra effort that employees put into their work beyond what is expected of them. This can take the form of working overtime, taking on additional responsibilities, or

going the extra mile to solve a customer's problem. Employee discretionary effort can greatly impact an organization's performance,²¹ as it is often a result of an employee's engagement, motivation, and alignment with the organization's mission and values. Employee discretionary effort is a valuable resource that can significantly impact an organization's performance. Leaders play a crucial role in fostering discretionary effort by creating a positive, emotionally safe, healthy work environment, establishing a High Opportunity Workplace, and (appropriately) including employees and stakeholders in decision making that directly affects work.

Leadership decision making plays a crucial role in influencing employee discretionary effort. Leaders have the ability to create a work environment that either encourages or discourages employees from investing extra effort.³² For example, leaders can create a positive work environment by communicating the organization's mission and values, recognizing and rewarding employees for their efforts, and involving employees in decision making and innovation processes. Leaders hold the key to meaningful opportunities for associates to learn and grow in their current jobs. On the other hand, leaders can discourage employee discretionary effort by neglecting to communicate the organization's goals, failing to recognize and reward employees for their efforts, or making unilateral decisions without considering employees' input. Together high influence leadership practices, cultures of voice³³ and strong engagement practices impact firm performance.

Regrettable Turnover

When employees experience organizational trauma within an existing Culture of Silence,⁷ the effects can be magnified because employees feel unable to process and remedy their experiences. As a result, they stay stuck in the state of mind they were in when they experienced the organizational trauma. In many cases, employees can attempt to sensemake with other members of the employee culture or they can pursue an exit plan. Studies show there are four job turnover categorical determinants; (1) individual (2) job-related, (3) interpersonal and (4) organizational.³⁴ We include organizational trauma as a determinant of turnover intentions. Stress and burnout levels influence one's intentions to leave.⁴⁹ The first step in the exit process is the turnover script.³⁵ This is internal dialogue that prepares the employee with a plan to leave their current place for greener pastures.

According to the US Bureau of Labor Statistics, the overall US Quit Rate is 24 percent with 34 percent in the retail sector and 45 percent in the hotel/service sector. Replacing an employee can amount to 100 percent of the

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departed employee's salary.³⁶ Tacit knowledge is depleted when a valuable employee leaves, which is also costly.

There is a typical pathway that employees follow when exploring alternative employment options. The search pathway usually begins with a traumatic experience, an organizational shock,³⁷ an event or perception that leads the employee to evaluate their current situation and begin searching for a new job. There are four distinct shocks that can initiate the search process: (1) job discontent, (2) job offer, (3) career planning strategy, and (4) a negative shock, organizational trauma.

One common cause of organizational trauma is restructuring. Companies cannot accurately predict turnover in restructuring initiatives. Research shows that a simple move from a status "non-downsizer" to "down-sizer" can increase voluntary turnover by as much as 19 percent.³⁸ Downsizing by one percent can lead to a 31 percent increase in post-downsize voluntary turnover which can influence firm performance.

Firm Performance

Firms are types of organizations that function in economic and entrepreneurial industries. "In the sociological and economic literature on organizations, the modern firm is usually seen as a large organization with four main groups of actors: shareholders, boards of directors, top executives and other managers, and workers."³⁹ Given this knowledge, we use the term 'firm' to mean a type of organization that buys and sells products, services or goods to make a profit. "This image of the modern firm accurately reflects the organization of many large public corporations that dominate the US economy."³⁹

Firm performance is influenced by organizational culture which is influenced by CEO and leadership personality traits.⁴⁰ CEO and leadership traits shape culture which influence associate experiences. We suggest that firm performance can be positively influenced when leaders use decision-making methods that maximize involvement to ensure the highest levels of (decision) ownership, commitment and knowledge transfer possible.⁴¹ For example, in the post-COVID world, the "return-to-office" decision-making process should include input from the workforce when possible. Input can be in the form of a short survey and/or focus groups to gather data from the workforce. This process should be used to inform policy not as a gratuitous gesture but as an authentic way to gather and leverage knowledge to inform decisions that impact the associate culture who ultimately produce organizational results.⁴²

The concept of leadership is critical to employees' work attitudes, which significantly influence organizational performance, effectiveness, and

behavioural outcomes.”⁴³ How well firms and organizations perform Post-COVID largely depends on the types of decisions leadership made about how the organization should move forward. Among the decisions that leadership had to make are when or if the employees should return to the office at all and how. Recommendations for organizational trauma remedies, rebuilding and return-to-office strategies are discussed next.

Organizational Trauma Remedies

Typically, managers’ responses during a crisis or disruptive event, tend to seek control of the situation, which can cause compliant responses. How one responds in times of uncertainty will reveal one’s views on leading versus managing.⁴⁴ Because leadership is not restricted to a single person but is the reciprocal exchange between leaders and followers, the role of leadership changes from the solver of the problem and disseminator of solutions to a facilitator and architect of collective experiences and expertise aimed at co-created resolutions and healthy transitions to new situations.⁴⁵ We recommend that managers’ use an inclusive Return-to-Office process versus an exclusive one. Inclusivity will result in high levels of outcome commitment and reduce the likelihood of regrettable turnover and contractionary discretionary effort. A post-COVID rebuilding process recommendation is described next.

Post COVID Rebuilding

After making a change, leaders must first, acknowledge and legitimize the past to be laid to rest with respect before rebuilding. A part of the ability to move forward is the ability to properly, and completely resolve that which is gone or left behind. After a disruption to the function and operation of an organization it is appropriate and necessary to give the people in the organization and the organization itself time to heal. “Nurturing the health and well-being of the organization and its members is very much an organic, non-linear and delicate process in which special attention must be given to observing the signs of trauma and honoring the dignity of everyone.”⁸ Helping individuals transition during times of uncertainty and change is vital to the organization being able to make progress and sustain its mission. To facilitate productive transitions, leadership will have to agree not to focus all of its efforts on the urgency and short-term struggle over the strategic and long-term view of the organization. Instead, leadership should focus on creating an environment where passage from the old to the new situation is made clear, where discretionary effort and motivating faith can live and grow.⁴⁶

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Coaching is a method to rebuild faith after a traumatic event because it has a therapeutic effect for both people in the coaching relationship and provides a safe environment for associates to make sense of current organizational and individual performance issues and plan to move forward.^{46,47} Leaders should consider both a holistic (enterprise) and individual coaching interventions when addressing trauma.⁴⁶ Remembering that organizations are in fact whole systems made up of many parts is the catalyst for this approach.

Another method of rebuilding after a traumatic event is reestablishing a shared vision and a plan for moving forward. When the organization comes together, the point is made that we are all in this together; this can be accomplished through large company meetings and subsequent follow-up departmental meetings. In these moments, the organization hears the same message, sees others grieving and dealing at various different levels, and can together make sense of their new charge to reach their “new normal”. While everyone may not agree with the need to change, creating a shared vision is the foundation upon which to build the future and the meetings provide a way of acknowledging and legitimizing the past.⁴⁶

Return to Work Strategies

This section describes two pragmatic strategy options for leaders faced with Post-COVID, “Return-to-Office” transitions.

Option 1

Returning-to-Office post-COVID-19 can be challenging for employers and employees alike. Successful return-to-office strategies involve a combination of proactive planning, clear, inclusive decision making, clear communication, and adaptable policies. Here are some key strategies to consider:

1. **Develop a post-COVID-19 workplace safety plan:** Employers must prioritize employee health and safety by developing a comprehensive post-COVID-19 safety plan that includes measures such as enhanced cleaning protocols, social distancing measures, and PPE requirements.
2. **Communicate clearly and frequently:** Employers should communicate regularly with employees to ensure they are informed of any changes in workplace policies, safety protocols, and other important information related to COVID-19. Regular communication can help reduce employee anxiety and foster a sense of trust.
3. **Be flexible:** Employers should be flexible with their policies, such as allowing employees to work from home when possible, implementing

flexible schedules to reduce overcrowding, and offering alternative work arrangements. This flexibility can help reduce employee stress and increase job satisfaction.

4. Offer support services: Many employees may be experiencing heightened levels of stress, anxiety, or other mental health challenges as a result of the pandemic. Employers can provide support services such as an employee assistance program, mental health resources, and other support programs to help employees manage these challenges.
5. Encourage healthy protocols: Health checkups, disease screenings and vaccinations are key strategies for reducing the spread of COVID-19 and other infectious diseases in the workplace. Employers can encourage employees to get routine vaccinations by providing information about the benefits of vaccinations, offering paid time off to get vaccinated, and facilitating on-site vaccination clinics.
6. Train managers and supervisors: Managers and supervisors should be trained to identify and respond to employee concerns or signs of trauma related to returning to the office. They should also be equipped to implement workplace safety protocols, policies, and support.
7. Review and update policies: Employers should regularly review and update their policies related to COVID-19 in response to changing circumstances. This can help ensure that all policies remain effective and up-to-date.

Option 2

Returning to the office after a prolonged period of remote work due to COVID-19 can be challenging for employees, and it is important for employers to implement policies that prioritize employee well-being and avoid causing employee trauma. Here are some strategies for avoiding employee trauma during the post-COVID-19 return to the office:

1. Prioritize employee health and safety: Employees need to feel safe and secure when returning to the office. Employers should prioritize employee health and safety by implementing clear policies and procedures for maintaining a safe workplace. This may include measures such as continuing enhanced cleaning protocols, social distancing measures, and providing personal protective equipment (PPE).
2. Provide clear communication: Communication is key to ensuring that employees feel informed and prepared for the return to the office. Employers should provide clear and frequent communication about the policies and procedures that will be in place, as well as any changes

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to those policies. Employers should also provide employees with information about how to report any concerns or issues related to COVID-19.

3. **Be flexible:** Employers should be flexible with their policies and procedures to accommodate the needs of employees. For example, employers can offer flexible work arrangements, such as staggered work hours or the option to work from home on certain days. Employers should also be understanding of employees who may need additional support, such as those with caregiving responsibilities.
4. **Provide support services:** Employers should provide support services to help employees manage any stress or anxiety related to the return to the office. This may include providing access to mental health resources or an employee assistance program.
5. **Train managers and supervisors:** Managers and supervisors should be trained to identify and respond to employee concerns related to COVID-19. Managers should acknowledge and legitimize employee concerns and never discount or dismiss them. It isn't the manager's job to resolve every concern but rather to listen and offer guidance. They should also be equipped to implement workplace safety protocols and policies.
6. **Review and update policies:** Employers should regularly review and update their policies related to COVID-19 in response to changing circumstances. This can help ensure that their policies remain effective and up-to-date.

By implementing these strategies, employers can help avoid employee trauma and ensure a successful return to the office post-COVID-19. By prioritizing employee health and safety, providing clear communication, and offering support services, employers can create a workplace that is supportive and responsive to the needs of employees.

Human Resource Support

For the last three to four years there has been one disruption after another with noticeable effects to firm performance and organizational commitment and cultural health. Many organizations have come to fully understand the value of their people and their role in organizational success. Companies are turning to their Human Resource professionals for guidance as leadership navigates the uncertainties and complexities of the work world. In these uncertain times, HR professionals have an opportunity to help organizations respond to the changing dynamics and the associated trauma - at the individual and organizational level. While HR professionals cannot shield

organizations from trauma, HR can help provide the leadership needed to strategically better acquire and use human capital; manage trauma occurrences; and anticipate future challenges and disruptions that could jeopardize the organizations' ability to thrive.

The challenges of leadership that influence the work of Human Resource professionals are first and foremost establishing themselves as strategic leaders within the organization. HR professionals have a very unique seat in the organization seeing and responding to the needs of the employees and they work to support the organization's strategic initiatives. In many ways, HR leaders are just like any other member of leadership within an organization; however, HR leaders do stand out from other leaders in that they provide services to everyone in the organization. "Their time horizon is both the immediate and the medium term. Their products are the processes which add value to the sources of production and successful delivery to customers. Their raw materials are the people who create and deliver these services or products to companies."⁴⁸ For these reasons, HR professionals can add value and insight to the way that strategies are implemented in an organization.

HR professionals are responsible for the care of the human capital. Involving HR can be a valuable leadership strategy for an organization because in most cases HR is responsible for the recruitment, selection, performance management, and development of the organization's human capital. "As leaders of the people dimension, HR leaders need both deep insight into what makes people tick and also into what can make organizations become the source of sustainable competitive advantage."⁴⁸ During times of change and trauma, HR can contribute to firm performance by sharpening its recruitment efforts, helping the organization to select the talent needed to drive the business objectives, helping to assess the performance that accomplishes the organization's mission, and by developing employees.

Finally, HR can help business leaders demonstrate healthy decision-making and implementation processes that will not retraumatize employees nor endanger the organization's success. Disruptions to the organization that cause trauma will require different responses from the organization in order to move forward. HR professionals can help in the leadership process by providing strategies to anticipate workforce needs, mitigate risks, and determine necessary services as a result of leadership decisions.⁴⁸ Using the expertise of HR professionals can provide interventions for today's leaders as they seek to adjust to changing employment environments and conditions. HR leaders can provide the resources, services, and support to help the organization make a smooth transition back to the office.

Conclusion

There are many challenges to leadership in the post-COVID world in which we live. Globalization and technology have sped up the rate of change and increased the intensity of change for individuals and organizations. External factors – political, environmental, societal, technological, and legal – provide additional layers of complexity to the challenges that face organizations and influence the context in which organizations exist. This article has examined how leaders can implement a Return-to-Office process that sustains employee productivity, a healthy organizational culture, and firm performance in the aftermath of COVID-19 which we have characterized as a traumatic event. Additionally, this article asserts that organizations may experience re-traumatization from post-COVID leadership decisions that call for a return-to-office transition using directive decision-making. Finally, we caution that when leaders make return-to-office decisions, they should include the psychological factors that their decisions have on employees' discretionary effort, voice behaviors and firm performance. The COVID-19 pandemic caused organizational trauma because no one had experience from which to draw during the sudden remote work transition. It is our hope that leaders exercise inclusive practices to maximize transition (solution) involvement and commitment.

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