

Employer-Employee Power Balance Poised to Flip



Insights from *The Distributed Work Dilemma: When Innovation and Job Satisfaction Compete*

Conducted by Vanson Bourne and commissioned by VMware, a new global survey* of 5,300 HR, IT and business decision-makers, and employee-level respondents revealed large swaths of common ground between leadership and employees with regard to new ways of working—but also some unignorable tension points. And while phenomena like the Great Resignation, “quiet quitting,” and near-universal talent shortages have placed the power in employees’ hands in recent months, other factors, like a looming recession, are tipping the scales in the opposite direction.

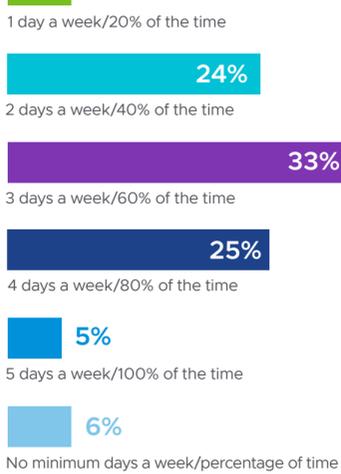
Leadership and employees both crave flexibility

When asked how often they would prefer to work from the office, both decision-makers and employee-level respondents answered an average of **60 percent** of the time.

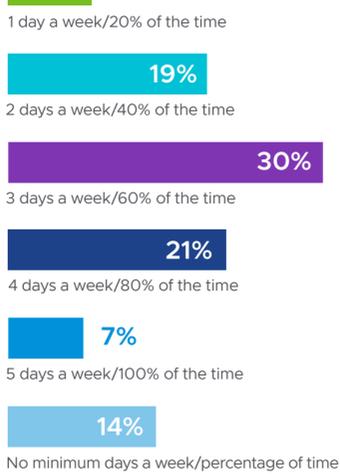


TIME SPENT IN-OFFICE, IN AN IDEAL WORLD

Leadership



Employees



It’s not surprising that both managers and employee-level respondents would prefer a hybrid environment, as those with hybrid policies are most likely to report a drop in employee-manager conflicts since the pandemic.

DECREASE IN WORKPLACE CONFLICTS WITH MANAGERS



It’s likely that the increase in flexibility coupled with at least some time for in-person interaction creates the optimal conditions to alleviate the pressure that has traditionally existed in many of these relationships.

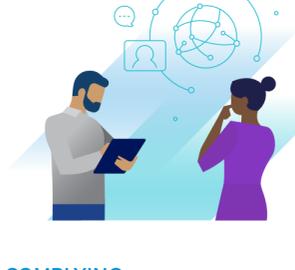
Equal-opportunity non-compliance

Just as leadership and employee-level respondents agree on how much time they’d like to be spending in the office, they also admit to not complying with their organizations’ working location policies at equal rates.

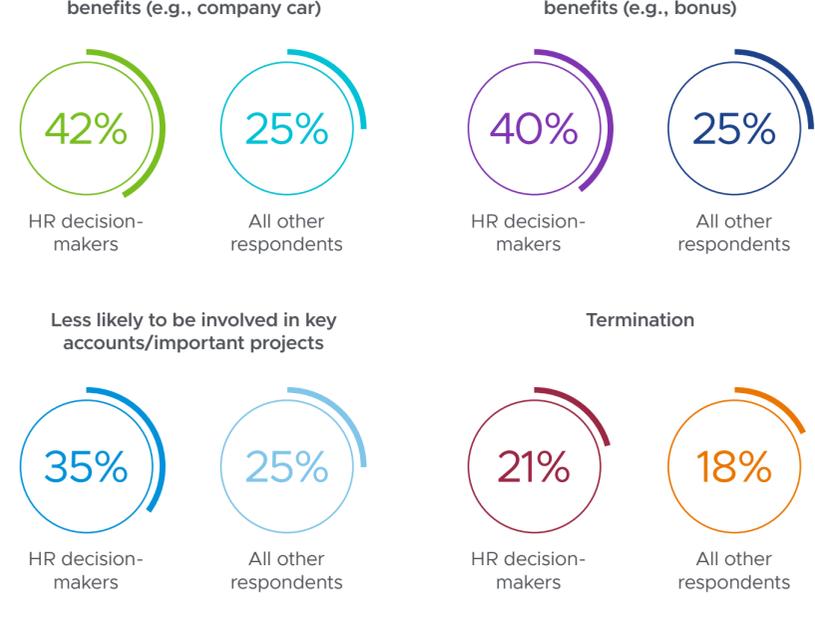


Consequences of non-compliance

81 percent of respondents report there is some type of consequence for not complying with their organizations’ working location policies. Notably, HR decision-makers were more likely than other respondents to report consequences, indicating there is perhaps a communication barrier between those at the center of the policies’ creation (i.e., HR decision-makers) and other employees. And this barrier could spell tension in the near future.

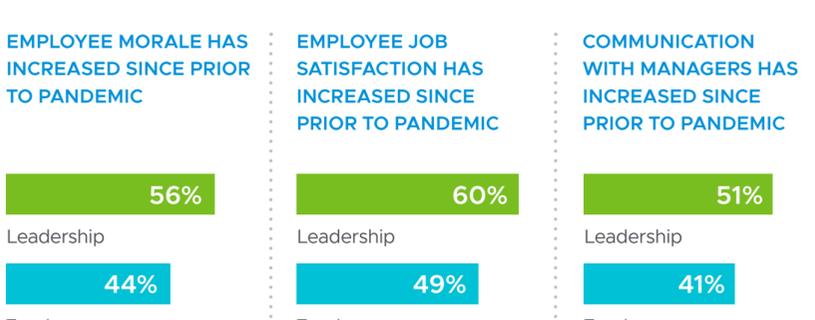


SELECT CONSEQUENCES FOR NOT COMPLYING WITH WORKING LOCATION POLICY



Leadership paints a rosier picture than employees

Another indication that rifts could be developing is the fact that leadership perceives employees to be generally more content than they are.



And perhaps the most crucial misalignment (because it could have an effect on actual working location policy) is the fact that leadership believes more strongly than employees that organizations are more innovative when employees are in the office.

“MY ORGANIZATION IS MORE INNOVATIVE IF EMPLOYEES ARE IN THE OFFICE.”



Shifting power dynamics

These misalignments could ultimately spell trouble for employees. While employees have held the proverbial cards in recent months owing to widespread talent shortages, the threat of recession is starting to put leadership in a more powerful position.



So, while employees have made their preferences for flexible working location policies clear, they may not have as much sway to dictate these moving forward: The majority of employees “will never work for a company that does not offer anywhere- or hybrid-work policies.” However, an even larger majority say the current economic climate will make employees less likely to change jobs.

EMPLOYEE-LEVEL RESPONDENTS



Leadership must wield power wisely

Employees may find themselves caught between their ideals and the realities of the current economic climate, shifting their power back toward employers. However, as long as talent shortages persist, employees still hold some bargaining chips. Employers must, therefore, work to balance the interests of the organization with those of their employees.

This could take the form of hybrid working policies with a strong investment in digital collaboration tools and in-office “innovation” days to ensure business goals are met, while employees retain flexibility.



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Survey conducted between July and August of 2022