

# DISNEY WANTS WORKERS BACK IN THE OFFICE: WILL OTHER EMPLOYERS FOLLOW?

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Disney CEO Bob Iger, who took the helm of the company for a second time late last year, told employees this week they will have to be in offices four days a week—a split from many firms that are continuing to largely embrace remote work.

“As you’ve heard me say many times, creativity is the heart and soul of who we are and what we do at Disney,” Iger said in his memo, released by CNBC. “And in a creative business like ours, nothing can replace the ability to connect, observe, and create with peers that comes from being physically together, nor the opportunity to grow professionally by learning from leaders and mentors.”

Iger’s announcement comes as many other firms grapple with their return-to-office plans, including whether they will force employees to return to offices at all. The majority of remote and hybrid policies have become widely

accepted nearly three years after they started in response to the COVID-19 pandemic. Data from San Mateo, Calif.-based job-search site Zippia finds that 26 percent of U.S. employees now work remotely, and 16 percent of employers are fully remote.

But with a number of firms thinking about revising policies and an announcement from one of the country’s biggest employers calling for a return to in-person work, does that indicate a turning point in remote work policies? It might, some industry experts suggest.

“It is significant for Disney, an organization that is respected for its people-centric culture, to be making this decision,” said Greg Barnett, chief people scientist at Energage, an Exton, Penn.-based software firm that focuses on employee engagement. “It sends a signal to other companies who have been internally debating the topic that it might be the right thing

to do. It also provides air cover to senior leaders, because they can point to Disney and say, ‘It’s not just us.’”

**Michelle Swiatkowski, HR manager at VAI**, a tech firm based in Ronkonkoma, N.Y., said Disney’s announcement is not an unexpected move in light of more relaxed COVID-19 measures. And she thinks it “may inspire other company leaders still working remotely to foster a hybrid or full return to an in-person work environment.”

While scores of organizations will likely keep remote-friendly policies, organizations with a large office footprint, she said, will more likely require employees to return to their physical locations, especially to make their continued office space investments worthwhile.

The decision also depends on a number of other factors, such as the organization’s industry, employee and manager



preferences, and risk tolerances to COVID-19. It also may make more sense that firms in the creative space, like Disney, see the value of in-person connection and interaction.

“We’re still seeing many companies exhibit flexibility toward remote work, but some have been or are beginning to require at least two to three days in the office,” Swiatkowski said. “I think this trend will continue in 2023.”

### **A ‘Need to Return to Normal’**

Many firms, Barnett added, are grappling with what they see as a “need to return to normal.” And the changing economic environment—from a strong labor market where employees have more buying power and a say in work preferences to an environment with more layoffs where employers hold more leveraging power—could make this the time employers make the shift away from fully remote to fully in-person or hybrid models.

“Ultimately, many of these companies see the upcoming financial downturn as time to tighten the belt and get back to productivity as usual,” he said. “Even though research generally shows that remote workers are more engaged and productive,

companies aren’t bought in. And with the potential for recession, many leaders are shifting into survival mode. That means minimizing risks and increasing focus, rather than taking the time to experiment and innovate with their work cultures.”

Energage’s research across 8,000 companies in the past year shows that senior leaders tend to be more engaged when working onsite versus working remotely. “This translates into positive bias toward bringing employees back to the work existence that [senior leaders] prefer,” Barnett explained.

Disney’s move follows similar ones from other big firms. Apple recently said corporate employees have to return to offices three days a week; Starbucks also just announced the same policy. Still, some companies have made similar return-to-office announcements but haven’t followed through. General Motors told corporate employees last September they would be required to return to physical offices at least three days a week—but after backlash from employees, the automotive manufacturer said it would listen to employee feedback before implementing official changes.

### **Some Warnings About**

### **Return-to-Office Policies**

Much of the research shows that remote work—when possible for workers and firms—has been a success: In general, employees are satisfied with the arrangement, happier with their employer and often at least as, if not more, productive working remotely than onsite.

That’s why some HR leaders caution that taking away that desired benefit could prove problematic.

“This attempt to reclaim authority and control over employees risks damaging future returns,” warned Ian Cook, vice president of people analytics at Visier, a Vancouver-based analytics firm.

The biggest risk? Losing employees. Some research indicates that employees will look for other jobs if they are forced back into office environments. Data last year from the Roseland, N.J.-based ADP Research Institute, for instance, indicated that organizations that force employees back to fully onsite could risk losing up to two-thirds of their workforce. And a recent Society for Human Resource Management (SHRM) survey found that about half of workers said they are “definitely” looking for a remote



position for their next job.

“Many employees will have become accustomed to remote and hybrid working, and the sudden shift is likely to cause some portion of employees to evaluate their priorities and expectations from an employer,” added Geoff Webb, vice president of solution strategy at Charlotte, N.C.-based software firm isolved.

As a result, “businesses that force

blanket back-to-office policies may be gambling with their best and brightest, and they are betting that the hoped-for increases in innovation and collaboration, if they materialize, offset the losses in employee skills and tenure,” Webb said.

Company and HR leaders would be best served to weigh the pros and cons of remote versus hybrid or fully in-person policies while listening to employee feedback.

And many experts predict there will likely be a balance.

“People-centric companies will continue to find a balance. A lot of research shows that some types of hybrid work arrangements are the best,” Barnett said. “They allow employees the needed freedom and balance that they crave, but also give them opportunities to interact, communicate and build the relationships that they need.”

