



KARIANBOX

UK PLC and Covid-19: How the workforce is feeling

One of the largest
studies of employee
opinion and experience
during the crisis

People with a voice
power performance

Introduction

The coronavirus pandemic has upended working life as we know it. The threat of infection, the imposition of social restrictions, and the resulting business uncertainty has created widespread feelings of vulnerability, anxiety, and fear.

However, research conducted across the UK in the last two months shows that these feelings are not universal.

People have reacted very differently to the crisis. **Some feel constrained** by the current conditions, unable to make decisions or change established thinking. **Others are thriving** on the challenges that this crisis has created, finding ways to adapt and innovate.

The situation is similar for businesses. While some companies are paralysed by this experience, others are coming up with new ideas and solutions. **Many business leaders are experiencing a revolution in the speed of decision-making and action-taking**, necessitated by the crisis. One CEO recently commented that “decisions that would usually have taken weeks, months or even years for us to enact, are now happening in a matter of hours or days.”

But the negative experiences of those who are struggling cannot be ignored.

Businesses have to create conditions that enable their people to work effectively and to safeguard productivity and jobs. Our research highlights several ways they can achieve this.

Although we often think of fear as a result of lack of knowledge, **fear in this crisis is driven by knowledge**, specifically, the knowledge that things we took for granted or hold dear have become dangerous.¹ **Yet knowledge is also part of the solution.**

The clearer employees are on what their business is doing, the more supported they feel and the more they understand what is expected of them.

Leadership action is also critical. The research shows that some **leaders need to do more to show their employees that they are taking steps to mitigate the pandemic’s impact.** But this does not mean regressing into outdated practices of command and control management, natural as that might feel in a time of crisis.

What employees want and need is for leaders to keep listening. Leaders need to give employees the power to speak up, to try out new things without fearing the consequences and, as a result, to feel empowered to innovate.²

Listening and empowering employees at a time of crisis are not nice-to-haves. They have a significant impact on productivity, as our research with UK and multinational businesses shows,³ both before and during the crisis.

Creating an environment in which employees can develop and innovate is critical to the short-to-medium term survival of many businesses. That requires leaders to ensure employees feel psychologically safe at a time when so much else is making them anxious and vulnerable.

The Karian and Box research outlines how well UK business leaders are doing in creating this environment for their people and the consequent mood across the UK workforce. Our findings complement and align with a recent ONS study, adding to a critical knowledge base for business leaders and policymakers.⁴

With research ongoing over the coming weeks, this paper is the first in a series that will monitor and report on changes in UK workforce sentiment over time. This is also likely to reflect how employees are responding as businesses start to ‘re-open’ and return to some sort of normality.

**James Tarbit
Dr Dan Degerman
Lawrence Scott**
11 May 2020

1. Degerman, D. 2020. Negative emotions in dark times. *Global Discourse*, 10 (2-3).

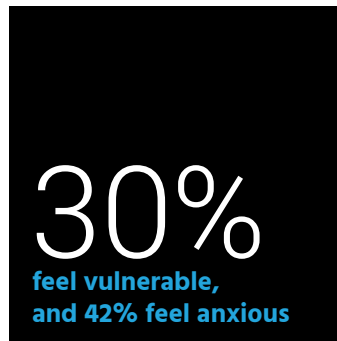
2. Petriglieri, G. 2020. The psychology behind effective crisis leadership. *Harvard Business Review*, 22 April.

3. Research carried out with over 1.4m employees in 2017-19 across multiple sectors shows that employees who believe their business’s leaders listen to their people have lower employee attrition, less sickness absence, higher customer satisfaction and higher workforce productivity.

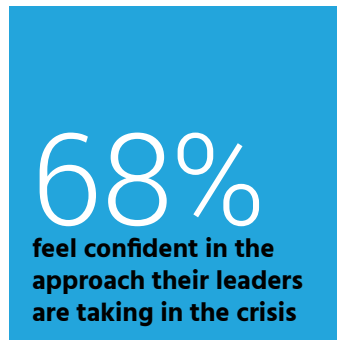
4. Office for National Statistics. 2020. Personal and economic well-being in Great Britain: May 2020.

Headline findings

Analysis of over 75,000 responses from employees has highlighted how the UK workforce, working in medium to large businesses, is feeling in the current crisis.



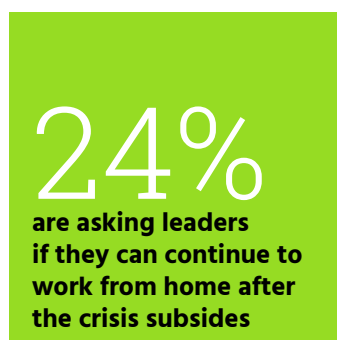
In general, the mood in UK PLC is good, with a majority of the workforce feeling motivated and protected at present. A third of employees feel vulnerable, and anxiety is considerably higher.



Around a third of UK workers surveyed do not have confidence in their leaders' approach to navigating the current crisis.



As the UK workforce looks to the future, many have pressing concerns. One in five are concerned about the possibility of redundancies. A similar proportion want greater clarity from their employer on what the coronavirus crisis means for their business strategy and plans.



The UK workforce is already rethinking business-as-usual working patterns. One in four employees want to explore if remote working can become the new normal.

How are employees feeling right now?

While anxiety about the pandemic is to be expected, it is striking that this is leading to a sense of demotivation in a significant minority of employees. This outlook has a direct impact on productivity and the resilience of workforce engagement.

Keep calm and carry on? Many are on the fence

Less than half of employees feel optimistic right now, with a significant proportion choosing to remain neutral when asked.

These 'swing voters' are critical for UK businesses. As the pandemic evolves, it is these workers who will closely follow what happens in the economy and how their employer responds before making up their minds.

Nearly one in three employees feel vulnerable

While it is good that over half of UK employees feel protected, one in three do not share this outlook and feel vulnerable. This highlights the need for businesses to give managers the right tools to provide additional support for these 'at risk' teams.

A large minority are struggling with morale

At present, one in four UK workers are demotivated and this poses a real threat to business health. Whereas anxiety, pessimism and vulnerability may influence overall mood, demotivation is the clearest direct blocker of productivity.

Analysis of over two million employee survey contributions⁵, together with data on team / business performance, shows that demotivation among employees leads to poor productivity, reduced innovation and lower levels of customer satisfaction.

The mood of the UK workforce (March to April 2020)



5. Karian and Box omnibus study, 2019 – combining employee and business performance data with employee opinion / behavioural survey results.

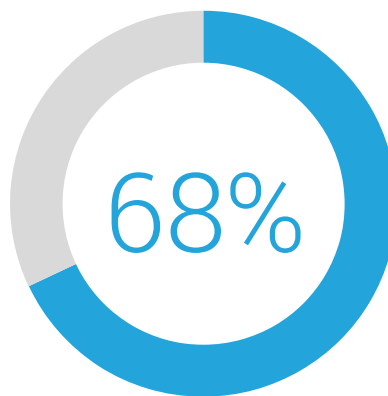
Employee perspectives on leaders and how they have engaged their people

While businesses have done a good job of keeping employees informed about the impact of coronavirus, workers are less sure about the approach that business leaders have taken.

The UK workforce is generally well informed about the steps businesses are taking in the face of the pandemic.

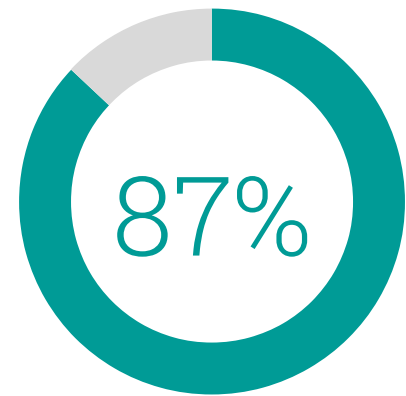
Employee perceptions suggest some business leaders are struggling to build confidence and trust in this time of extreme uncertainty.

Confidence in leaders



"I feel confident in the approach that the leaders of our business are taking to manage the impact of the coronavirus"

Kept informed



"My organisation is keeping me informed about the impact of the coronavirus on our working lives"

What is influencing positive feedback from employees on their employer's leadership?

Detailed analysis of the data from UK employees highlights three key factors that are driving greater positivity about leadership actions during this crisis.

1 Visibility

Where leaders are seen / heard more and, critically, seen to listen to their people, motivation is much higher.

2 Wellbeing support

Businesses who are recognised as taking proactive, practical action to support their people's health have employees who are substantially more motivated.

3 Community action

Those businesses and leaders who are donating time, money / resources and other tangible support to social causes engender greater pride and boost employee motivation.

Insights on the UK workforce experience during the crisis

Eight in ten UK workers feel that their firm is supporting them with the right systems and processes and that businesses are being adaptable in the current climate.

Adaptable and effective tools – for most

The majority of the UK workforce rate the equipment and systems, support, and adaptability of their organisations very positively.

However, the data shows that many UK businesses struggle with creating fit-for-purpose solutions for a prolonged period of remote working.

With this in mind, tracking the direction of employee sentiment over time may see these scores as the first to ebb away and become increasingly negative.

Wellbeing and work / life balance is suffering for a large minority

The coronavirus crisis has created practical challenges which organisations have quite successfully prepared and supported their workforce for, by providing systems and moving meetings online, for example. But evidence suggests firms are doing less well in supporting people on a personal level.

UK workers are questioning their employer's support of their physical health, mental wellbeing and the challenges of finding a balance in their day-to-day lives.

People's experiences of the lockdown will of course differ. The stressors impacting on us all are variable and unique to individuals. Notably, nearly three in ten do not feel they are able to balance their work and personal life in a way that works for them.

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Being visible is not just about being seen. It's about emotional intelligence. It's about using active listening and empathy to understand and acknowledge the challenges employees face.

But listening is not enough. We have to be seen to listen – and act on what we hear.

CEO, UK-based multinational

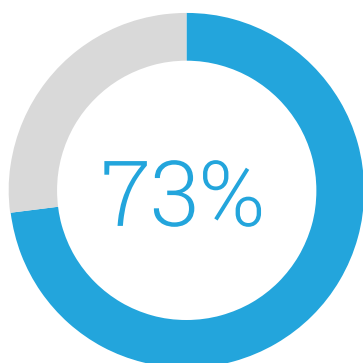
Business leaders need to do more to support wellbeing, say employees

Findings suggest that firms have been better at supporting employees' immediate practical work needs than their softer needs, which may have a significant impact on morale and productivity in the longer term.

Nearly four in five employees say that their employer is adapting quickly and that they have the equipment they need to work effectively.

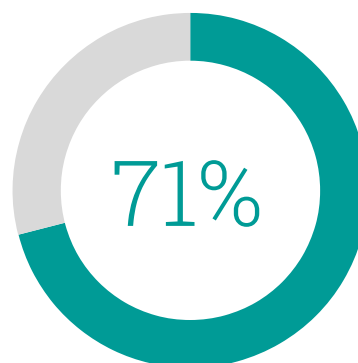
But markedly fewer feel they are supported in other aspects of their work, particularly when it comes to maintaining work / life balance.

Supporting health and wellbeing



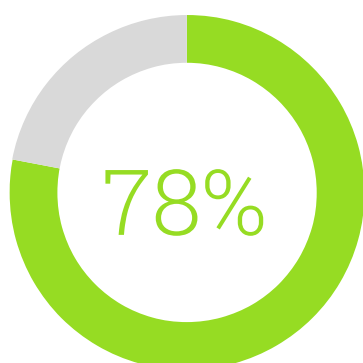
"I feel my organisation is sufficiently supporting my health and wellbeing in the current environment"

Work / life balance



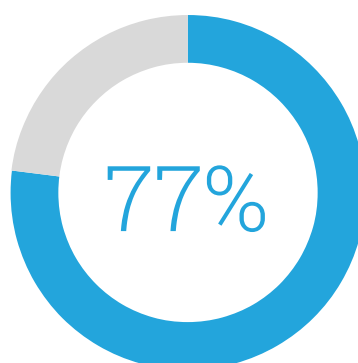
"In the current environment, I feel able to balance my work and my personal life in a way that works for me"

Access to right equipment



"I have access to the equipment and systems I need to work effectively"

Business adapting quickly



"My organisation is quickly adapting to changing ways of doing business"

The burning questions UK employees want answered

Over 350,000 queries and comments that employees are putting to their leaders have been analysed. The themes that emerged are reported on here and on page 9.

A quarter of the UK workforce want to work from home more after this crisis subsides.

Undoubtedly, the current crisis has significantly accelerated the pace with which businesses have had to change the way they operate.

Front of mind for one in four employees are questions about **returning to normal ways of working** and the opportunities that may exist for people to work more flexibly in the future.

Plans for the future are a significant concern, with nearly one in five wanting to understand their firm's strategy and plans for the coming months.

This should **not be confused with a company's long-term vision**, as **Gianpiero Petriglieri**, a professor of organisational behaviour at INSEAD, explains.

His study shows that, in a crisis, leaders need to provide a 'holding' leadership style, with clear direction about what must be done to support customers and secure the company's financial performance. This has to be complemented with a sincere focus on employee wellbeing and care.

Understandably, given constant news of businesses under threat of going under, a large proportion of the workforce are **concerned about future redundancies** and are asking their leaders for greater openness on whether these will be necessary and how they will be implemented.

The remaining concerns and questions employees have relate to **safeguarding their physical and mental wellbeing** and the support organisations can offer to ensure this.

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The current crisis has significantly accelerated the pace with which businesses have had to deal with change.

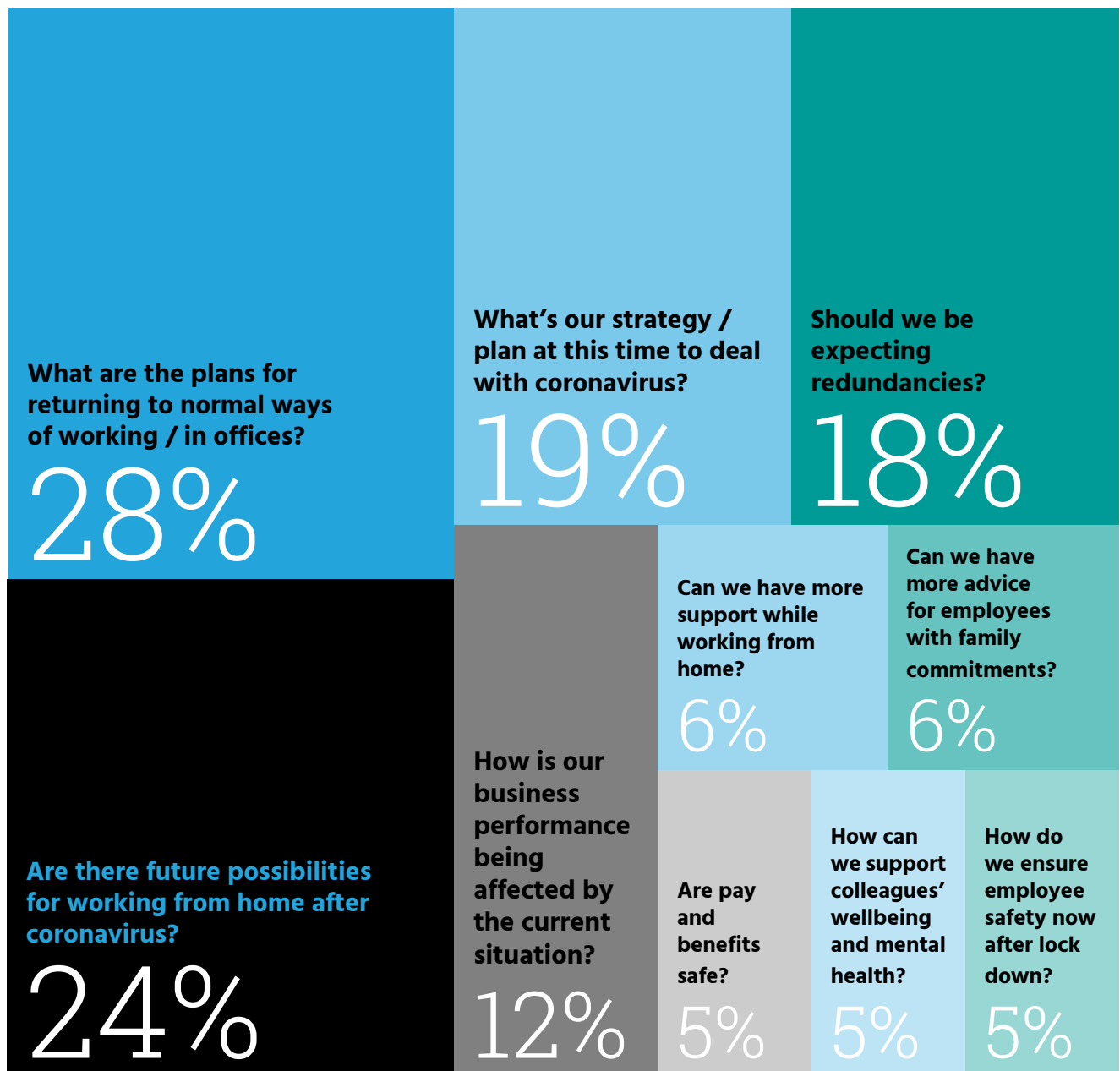
What questions are employees asking of leaders?

Many businesses have asked their employees about the most pressing questions they have for their leaders.

Across our research, **over 350,000 queries and comments have been raised by employees in the last nine weeks.** Advanced AI-based mining of all comments has enabled an analysis of the themes they covered.

The data below reflects the fact that some employees may have provided multiple points of feedback in any one comment. As such, the resulting proportions do not add up to 100%.

Proportion of employees putting types of comments / questions to their leaders





Additional information about the research

Appendix:

Research methodology

The results in this report are based on data collected in research conducted across nine weeks between 9 March and 6 May. It represents one of three of the largest studies of employee opinion and experience in the UK during the crisis.

The results are based on employee research in over 30 businesses employing 5,000 to over 100,000 employees in the UK.

Participation includes employees from the banking, financial services / insurance, retail, telecomms, FMCG, manufacturing, energy and mining sectors.

Results have been weighted to reflect the actual proportions of employees in the UK workforce.

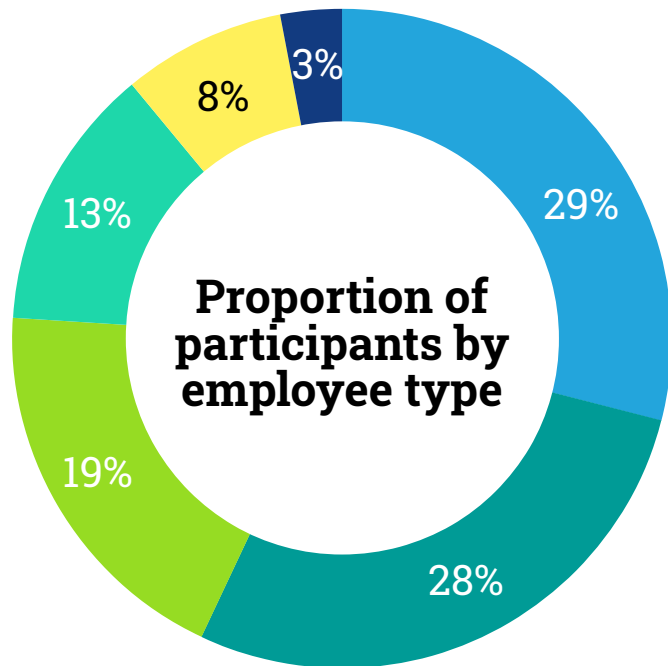
This ensures no single sector is over- or under-represented in the results and related insights. Some sectors are not included in this research report due to insufficient participation to reflect statistically reliable opinion.

Total number of UK employee responses in research conducted between 9 March and 6 May

75,831

Employee type

- Office
- Retail - shop based
- Contact centre
- Banking – branch based
- Manufacturing
- Warehouse and distribution






About Karian and Box

Established in 2006, Karian and Box is now one of the leading employee research and analytics businesses in the UK.

Karian and Box conducts research for more than a third of the FTSE 100 and other leading UK-domiciled businesses – together with multinationals based in Europe, Africa and Asia – across a range of sectors – especially in the financial services, retail, energy and travel sectors.

It has obtained participation in research and feedback from over 2.5 million employees in the last 18 months, providing extensive UK and sector insight into the experiences and outlook of different workforces.

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Appendix:

What employees are asking their leaders...

Page 9 outlined the proportions of employees who put particular types of comments and questions to their leaders. The quotes below are representative of the three largest themes that emerged from those comments and questions.

All comments have been edited to remove any information that could break strict Market Research Society guidance on confidentiality and to maintain the anonymity of the relevant individuals and their employers.

What are the plans for returning to normal ways of working / in offices?

What's the timeframe for the office being closed and the reasoning behind it? How do we get back to normal?

Energy / Mining

Going back to work seems like the most risky time to spread the virus. Is social distancing going to be put in place? Will we wear masks? Will we reduce the number of people on site? How do we keep people safe?

Retail

Can parents who are home schooling work flexibly? I'm really worried about how I can provide the best education for my child, while doing the best for my company.

Financial services

Are there future possibilities for working from home after coronavirus?

My commute is over 2 hours a day. My work can all be done from home, so productivity is not an issue. If working remotely is successful, can we work from home after coronavirus?

Retail

Work / life balance is much better when you don't lose several hours commuting. Our business would benefit from needing less office space.

Financial services

I've benefited from not having to commute in every day. My mental health is the best it's ever been, even having suffered from anxiety for years.

Telecomms

We've proven this works – we CAN work flexibly. How do we embed these ways of working in the future when we return to 'the office'?

Energy / Mining

Should we be expecting redundancies?

How is the current situation impacting our business performance? How many calls are coming into our call centres? In these uncertain times, are we making money?

Banking

When it comes to making cost savings, would it be possible to take alternatives to laying people off? Can we do pay cuts, reduce office staff to a four-day week or bring in job sharing?

Energy / Mining

There's genuine anxiety that there'll be redundancies while in lock down – in a dried-up job market with interviewing impossible.

Manufacturing

My main worry is that once it is all over a large number of us will be made redundant as the company will need to achieve its profit target. It is really demotivating that after all our hard work, some of us will be without a job.

FMCG

The authors

This report has been authored by three members of the Karian and Box team.



James Tarbit is a Karian and Box Managing Director and leads on advisory work with clients.

Prior to joining Karian and Box, James served as the Global Head of Employee Insight for HSBC. In this role, he was responsible for developing a Group-wide strategy for employee research. Before joining HSBC, James was a Senior Associate in a global board practice, advising CEOs and non-executives on board effectiveness, composition and strategic change.



Dr Dan Degerman heads up the employee insight practice at Karian and Box, with a specialised focus on how employee and leadership behaviours affect performance in businesses.

His PhD in philosophy explores the relationship between emotions, mental disorder, and political action. The findings of his research have been published in leading academic journals and international news media, and are currently being developed into a book.



Lawrence Scott works within the Karian and Box client solutions practice, providing employee, culture and leadership research consultancy to clients across multiple sectors.

With a background in retail analytics and consumer panel data insights for leading FMCG consultancies, he has a specific interest in enabling and empowering front-line employees within the manufacturing and retail sectors.



KARIAN and BOX

For further insight into how UK employees feel about their workplace, together with the culture and behaviours experienced in most large UK businesses, **get in touch.**

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