

A look at how COVID-19 is shaping the employee experience

Key Insights

Medallia surveyed U.S. employees across industries to understand how the COVID-19 pandemic has affected them. These are the key findings.

COVID-19 has disrupted the U.S. workforce across industries and position types, forcing companies into widespread remote work arrangements, changing workers' roles, and leading to widespread layoffs and furloughs.

The rapid transition to remote work was broadly successful. Most companies managed transitions effectively, and people working from home have had a more positive experience than those working outside the home. They believe their employers have communicated effectively and listened to how they're feeling and what they need.

Industries in which remote work was common before the pandemic, like technology and financial services, were the most successful. Companies from these industries have been the most communicative and supportive, so it's no surprise that these employees rate their employers highest.

Many desk-based employees want and expect the flexibility to remain remote, and employers will need to set expectations for remote work policies.

Sixty-two percent of respondents were working from home at least part time during the pandemic.

Post pandemic, 34 percent want to continue working from home full time. Remaining remote is most desired by those holding desk-based positions (39%) and those aged 45+ (42%).

Companies need to address employees' concerns about returning to the workplace by doing more to show that they're following cleaning and sanitization best practices. Only 44 percent of respondents working in an office, store, or field location feel safe going into work, and only 44 percent of those working from home trust their employer to follow best practices for cleaning and sanitization before they return.

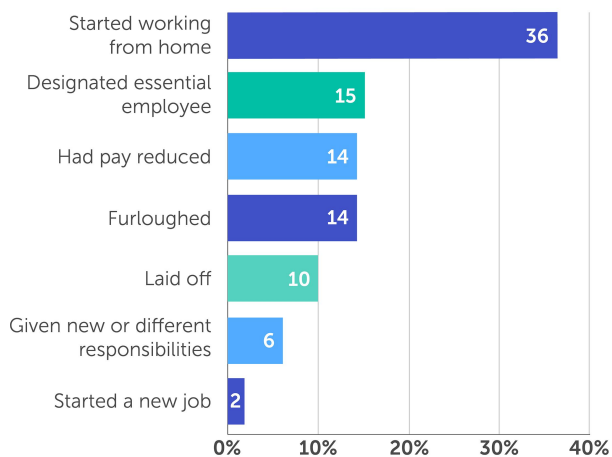
Employees who were laid off or furloughed had mixed experiences, but companies that handled pandemic-related terminations well will be better positioned as hiring resumes. Respondents aged 55+ were particularly unhappy with their experience, feeling as though they weren't provided a fair severance package, given information on government benefits and resources to help with their job search, or given an opportunity to provide feedback before leaving. Companies that did well on these points are twice as likely to attract their former employees back than those that fared poorly (85% vs. 40%).

COVID-19 has disrupted the U.S. workforce in many ways

Five months after being declared a global pandemic by the World Health Organization, COVID-19 continues to affect people's daily lives across the world. In the U.S., state and federal governments have introduced guidelines to slow the spread of the virus, yet everyday activities such as going to the grocery store or to work have been upended.

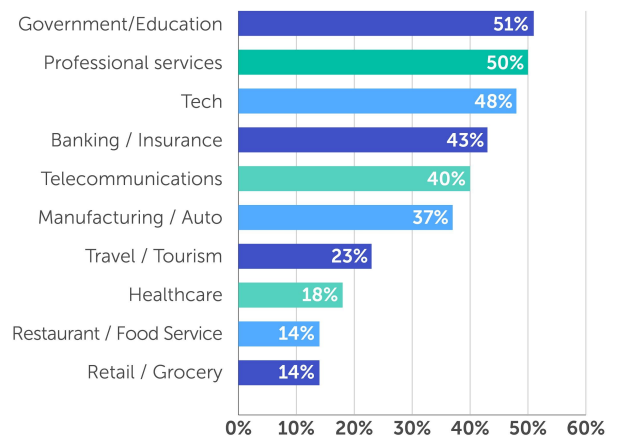
American workers have started working from home in large numbers, and they have faced reduced schedules and pay as well as furloughs and job losses (Figure 1). Workers in all sectors have felt the impact to some extent (Figure 2, Figure 9).

Figure 1. Impact of COVID-19 on the workforce



To capture sentiment on how the pandemic has affected the U.S. workforce and employees' thoughts about returning to work, Medallia surveyed over 3,800 adults across a variety of industries from July 7-12. Their responses reveal much-needed perspectives on what employers have done to navigate the pandemic and on what employees are expecting.¹

Figure 2. Percent working from home due to COVID-19 by industry

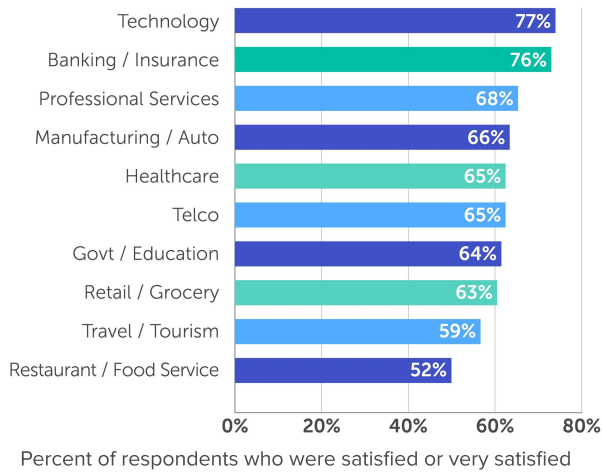


Employers managed the changes brought on by the pandemic well

Employers had to make major shifts in their operations in a short period of time to respond to the pandemic. Not only did they have to refocus their business priorities, but they had to ensure employees' safety under challenging circumstances. With larger numbers working remotely and dramatic changes to onsite work environments, a new imperative has emerged for employers to stay connected with their teams through virtual communication and more frequent feedback.

Companies have been generally successful at managing the change. Seventy percent of survey respondents working full or part time were satisfied with how their employers responded to the rapid changes caused by the pandemic, with the highest satisfaction in industries with large numbers of desk-based workers, like technology and financial services (Figure 3).

Figure 3. Overall satisfaction with employer's COVID-19 response



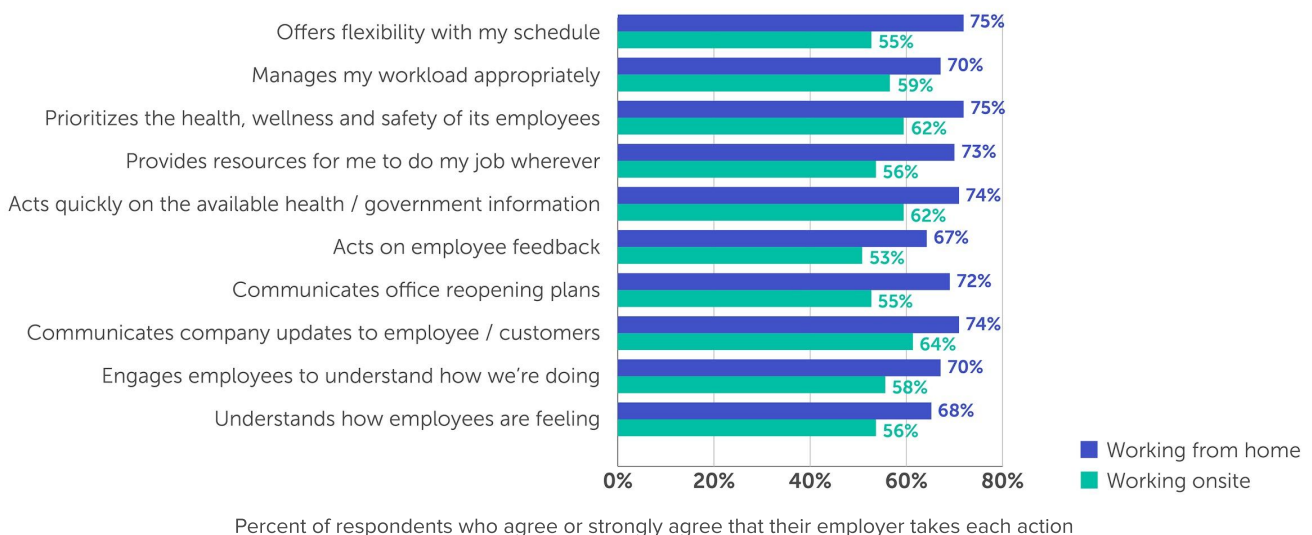
Creating and maintaining a healthy and safe working environment has required major adjustments to where, when, and how people work. Communication between employers and employees has been critical during this time. Employees need to have updated information and plans from their employers, and they also need to feel understood and listened to. The majority of survey respondents agree that their employers have managed this transition effectively, acting quickly and decisively to create a positive work environment. This is especially true of organizations whose employees are working remotely. Remote employees rate their employers higher across all pandemic response measures compared to those working onsite (**Figure 4**).

Companies and industries that have been the most successful are those that had already set their employees up to work remotely. The technology and financial services industries are managing the pandemic best, with over 75 percent of survey respondents satisfied with their company's response (**Figure 3**). It's no surprise that more than 7 in 10 employees in these industries are currently working from home full time. Before the pandemic, these industries had the highest levels of remote work, according to a [Global Workplace Analytics](#) analysis. One survey respondent from the financial services industry described what his employer has done well:

"They have been doing an amazing job proactively reaching out to get a pulse of how employees are doing. They try to do different activities to keep employees engaged. They send small tokens of appreciation out. They keep us updated on what is going on with weekly meetings, something they never did before."

Financial Services Industry, Gen X

Figure 4. Employer COVID-19 sentiment by work location

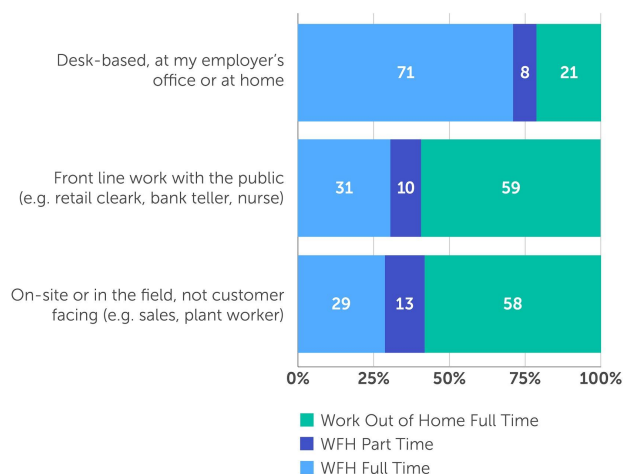


The accelerated transition to remote work environments has created new employee preferences

Companies have been focused on enabling their employees to work effectively in a remote setting during the pandemic. As companies prepare to reopen their workplaces, whether an office, store, or plant, they will need to contend with new attitudes about how and where employees want to work. The next challenge will be to effectively manage the expectations of employees who want to work remotely long term.

Even prior to the pandemic, remote work was growing in popularity. According to [Global Workplace Analytics](#), regular remote work grew 173 percent between 2005 and 2018, with an estimated 43 percent of employees working from home with some regularity, and nearly 4 percent working remotely full time. But those figures pale in comparison to the situation during COVID-19. Thirty-six percent of employed survey respondents started working from home because of the pandemic, and overall, 62 percent were working from home at least part time. Most of those working from home during the pandemic were doing so full time (53%). Not surprisingly, desk-based positions requiring minimal in-person customer interactions more easily moved remote (**Figure 5**).

Figure 5. Remote work status by position type



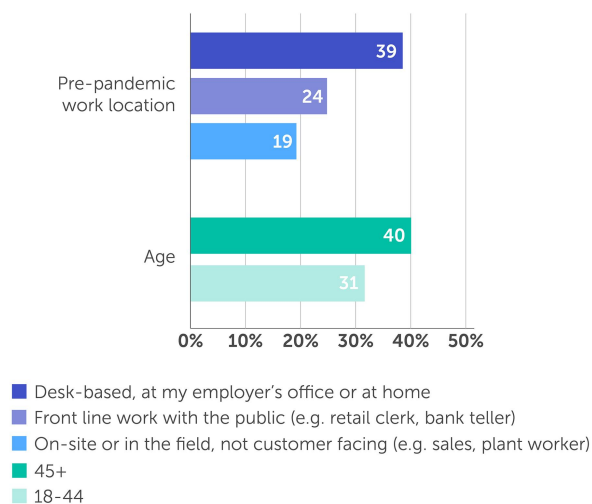
Employers need to understand and support the different ways workers choose to work in remote settings. Survey respondents described two main approaches. Some preferred to maintain the same routine and schedule as if they were in the workplace, while others adopted a more flexible schedule allowing for breaks to do non-work related activities. Companies will have to learn how to judge productivity differently by focusing on whether goals are met on schedule rather than focusing on attendance. An employee in the professional services industry praised their employer for understanding their needs:

“My employer moved quickly to a remote work environment. They understood the circumstances outside of work and showed their understanding in granting people flexibility to work on the schedule that made most sense for them. They just asked that we tell our supervisors.”

Professional Services, Gen X

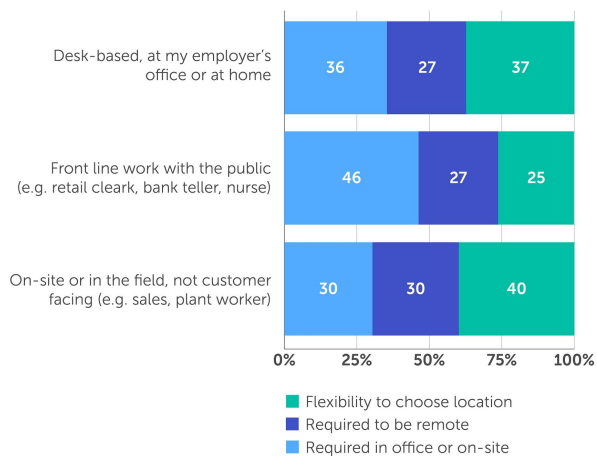
Companies have done well adapting to the remote work environment, but must now focus on the future of work-from-home policies. While some companies, including Facebook and Twitter, have announced that employees can work remotely on a permanent basis, most companies are unlikely to implement such policies on a broad basis. How far to move in that direction is a key consideration as they respond to new fans of working from home within their employee base. Thirty-four percent of survey respondents who were working from home full or part time say they'd like to work from home full time after the pandemic ends. Interest in working from home full time is greatest among desk-based employees, who are less likely to face major job disruptions. Somewhat surprisingly, employees aged 45 and older show more interest than those aged 18-44 (**Figure 6**).

Figure 6. Percent that want to work from home after the pandemic



Companies must take note of these preferences as they revisit remote work policies. In order to set expectations, they should communicate what is allowed before employees return to the workplace. Nearly two-thirds of employees expect they'll be able to work from home full or part time moving forward, and this includes employees who hold all types of positions (**Figure 7**).

Figure 7. Expected work locations after the pandemic

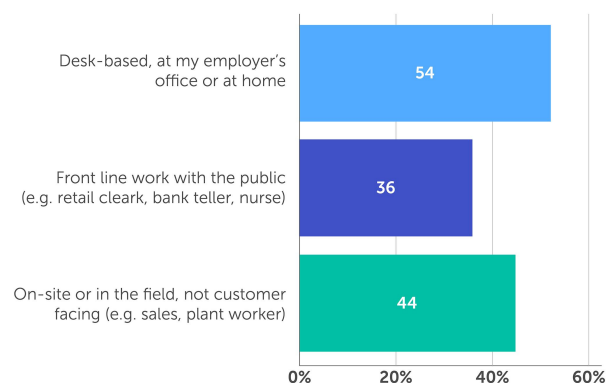


Safety is paramount as employees consider returning to the workplace

Not all employees are in a position to work from home, nor do they all want to. Nearly 40 percent of survey respondents were working outside the home at least part time, and 23 percent who were working from home said they miss the office. Companies can't focus solely on the needs of their remote employees; they also need to do a better job ensuring on-site employees feel safe and cared for.

Companies must show they're taking steps to create a safe environment in order for employees to feel safe returning to the workplace. Only 55 percent of survey respondents working onsite claim their employer has taken special care to ensure a safe work environment, and fewer than half (44%) say they feel safe going to work. Those holding front line, customer-facing jobs feel the least safe (**Figure 8**). There is also concern among employees who have been working from home during the pandemic. Just 44 percent believe their employer will follow cleaning and sanitizing best practices before reopening.

Figure 8. Percent who feel safe going to work



Among workers currently working part or full time outside the home, by pre-pandemic work location

The virus is clearly causing a lot of fear and worry. People fear that the actions of others might spread the virus, and they fear infecting their family members. Companies need to address this fear not only by implementing safety and cleaning policies, but by communicating what these policies are. When asked to describe what their employer needs to do to make them feel comfortable working outside the home, about half of those employed (47%) commented that they want to see their workplaces adhere to prevention policies including cleaning and sanitizing procedures, mandatory mask-wearing, and social distancing. As one worker in the travel and tourism industry states, companies should be strict about enforcing these policies:

“I’d want my employer to tell the public ‘comply with our mask policy or take your business elsewhere.’”

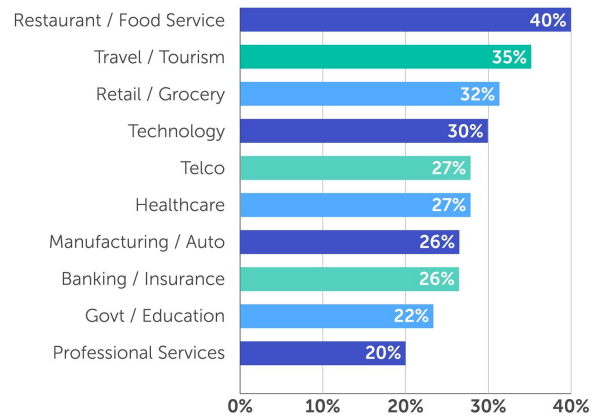
Travel / Tourism, Gen X

Furloughs and layoffs have hit all industries hard

The pandemic has forced organizations to make difficult but necessary staffing decisions. About 1 in 5 respondents reported that they have been furloughed or laid off (or both) as a result of the pandemic. These reductions have affected the public and private sectors equally, which is in stark contrast to the results of an early April [study](#) conducted by CFI and Medallia that showed only 6 percent of public sector employees had been affected at that time.

Industries that rely heavily on front-line workers, like restaurants and travel, have been the most affected by staffing reductions, but these reductions were also surprisingly widespread across industries. Even industries with a majority of workers in desk-based positions, like professional services, financial services, and technology, saw reductions of 20 to 30 percent (**Figure 9**).

Figure 9. Percent laid off or furloughed by industry



Layoffs and furloughs have hit employees of smaller companies the hardest. About 30 percent of people working for a company with fewer than 100 employees reported that they have been laid off or furloughed because of the pandemic, while only 15 percent have been affected at companies with more than 1,000 employees.

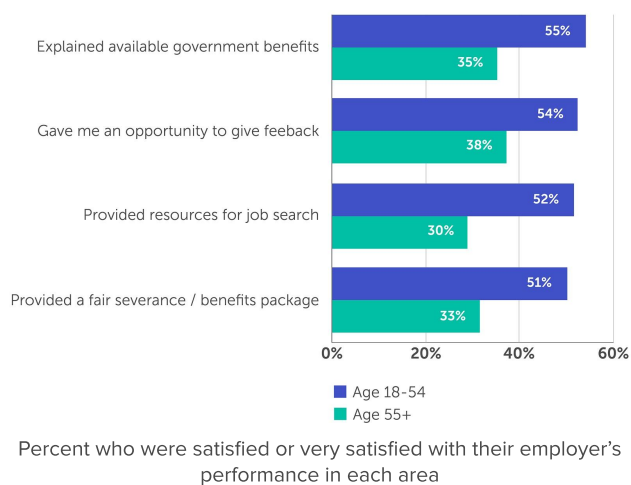
How a company manages furloughs and layoffs is likely to have long-term implications

At many organizations, COVID-related workforce reductions have been large in scale and had to be implemented quickly. The way a company manages pandemic-related workforce disruptions is likely to have long-term implications for its business. Workers still expect to know the reasons behind the reductions, desire details about what comes next, and want the opportunity to provide feedback. These expectations have been especially difficult to manage as employers often could not convey the information in person.

Nearly 60 percent of survey respondents who were furloughed or laid off as a result of COVID-19 were satisfied with how their former employer handled their situation. The majority agreed that their former employers gave clear reasoning (60%) and clearly communicated the details (57%) for the termination or furlough.

However, employees felt short-changed during the preparation and discharge stages. Only half were satisfied with how their former employers handled things such as explaining government benefits, providing a fair severance package, providing job search resources, and giving an opportunity to provide feedback. Workers over the age of 55 were especially dissatisfied with these aspects of the process (**Figure 10**).

Figure 10. Discharge process



These are important steps in temporarily or permanently ending an employment relationship, regardless of the situation. Companies that handle workforce reductions poorly may suffer for their oversights in the future. Among workers who said their former employer took these steps, more than 85 percent said they would consider working for that employer again. This is more than twice the percentage among participants whose employers did not take these steps: only about 40 percent of those employees said they would consider working for their

former employer in the future. When companies are ready to hire again, employers that delivered a good experience during discharge will have a significant advantage in being able to scout former employees.

Looking forward: Priorities for a changing workplace

Overall, companies managed major shifts caused by the COVID-19 pandemic effectively. The findings from this study point toward a few areas that forward-thinking companies should be focused on as they plan for future changes in the work environment.

- Companies should be proactive about soliciting employee feedback and communicating with all employees about ongoing changes.
- For positions that require on-site work, employers need to clearly articulate the steps they are taking to allow employees to return to work safely.
- For roles with more flexibility in work location, employers need to consider employee expectations and preferences as they revisit remote work policies.
- Finally, given ongoing economic uncertainties, employers should evaluate how they have managed COVID-related separations to protect their reputations and ensure that future employee separations put them in the best position for rehiring when the moment is right.

Study Details

Medallia fielded an 8 minute online survey among 3,845 U.S. adults aged 18+ from July 7-12, 2020. All respondents were either currently employed or recently furloughed or laid off due to the COVID-19 pandemic. The study looked to understand the experience among workers from various industries and work backgrounds, including: Banking/Insurance (N=405), Government/Education (N=672), Healthcare (N=521), Manufacturing/Auto (N=222), Professional Services (N=297), Restaurants/Food Service (N=141), Retail/Grocery (N=279), Technology (N=385), Telecommunications (N=138), and Travel/Tourism (N=108). Survey respondents were recruited using the Dynata research panel.

Contributors



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