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Factors Influencing Small Business Employees' Decisions to Return to Work

ABSTRACT

Current research on employee attitudes throughout the recent labor shortage focuses on white collar knowledge-work based occupations. This study investigates the factors influencing small business employees' decisions to return to work in a brick-and-mortar environment. An online survey was administered, and employee's perceptions of work and their job attitudes were analyzed. Data were collected in a small Southeast downtown area to explore what drives small business employees' decision to return to work.

INTRODUCTION

In 2020, the stay-at-home orders from the COVID-19 pandemic provoked businesses to respond with temporary closures, reduced operational hours, and downsized staffing. At the federal level, programs were instituted to help mitigate any adverse impacts on both businesses and employees caused by these actions. For employees, this included the Pandemic Unemployment Assistance provision within the CARES Act, signed on March 27, 2020. This expanded states' ability to provide unemployment insurance benefits to employees whose work was impacted by COVID-19 but was not usually covered under statewide unemployment benefits. Federally, PUA payments were set to expire at the end of the year, and the additional \$300 federal benefit was set to end in early September in the provision's original implementation.¹ However, before the summer had ended, multiple states ceased federal assistance for workers under the PUA. While the rationale was that removing this assistance would motivate the unemployed to reengage with the job market, the Bureau of Labor Statistics reflected little change in the number and rate of hiring in the months that followed despite the U.S. experiencing a record number of job openings.²

With the ongoing labor shortage, research has found that employees do not want to see a total return to the office. As a result, there has been a shift in expectation for a standard of flexibility in the form of remote work. Hybrid teleworking models are being utilized to address the work-life balance struggle in knowledge-based occupations to retain talent.³ However, this solution excludes employees of brick-and-mortar businesses that cannot exist without keeping their doors physically open (e.g., restaurants, service providers, and gift shops). This study contributes to understanding what practices are used in small business settings that result in the retention of in-person talent during this turbulent time in the job market. I hope to provide small businesses an avenue to increase employee retention and commitment.

HYPOTHESES

Hypothesis 1: Increases in average perceived Supervisor Support will decrease average Intention To Quit.

Hypothesis 2: Employees who have held at least one different job in the previous year will have a lower Continuance Commitment, awareness of costs associated with leaving their organization (Meyer and Allen, 1997).

Hypothesis 3: Increases in an employee's average Surface Acting and Deep Acting will increase average Burnout.

MATERIALS & METHODS

Procedures Data were collected using **Qualtrics**, an online survey platform for survey creation, distribution, storage, and analysis of survey data.

- Respondents were required to be working at an **organization with a brick-and-mortar store front located in downtown Fredericksburg, VA.**

Participants A total of 24 responses were recorded across approximately 20 different businesses.

- Ranged in **age** from 18 to 77 years old, with 68% of respondents between 18 and 54 years old.
- About 2/3 of respondents were **female**.
- Most common industry of place of employment was **retail trade** and **food service**.
- Half of respondents **held at least one other job in the previous year**.

Measures All items were measured with a 5-point Likert type scale

- **Intent To Quit:** Three-item Parra (1995) measure. Sample item: "I may look for another organization soon".
- **Affective Commitment:** Six-item Meyer and Allen (1997) measure. Sample item: "I am proud to tell others I work at my organization".
- **Continuance Commitment:** Nine-item Meyer and Allen (1997) measure. Sample item: "Too much of my life would be disrupted if I decided I wanted to leave my organization right now".
- **Normative Commitment:** Eight-item Allen and Meyer (1990) measure. Sample item: "I think that people these days move from company to company too often".
- **Burnout:** Eight-item Maslach and Jackson (1981) measure. Sample item: "I feel that working all day with people is a strain".
- **Emotional Labor:** Eight-item Brotheridge and Lee (2003) measure. Sample item: "Put on an act in order to deal with others in an appropriate way".
- **Supervisor Support:** Six-item Eisenberger et al. (1986) measure. Sample item: "My supervisor takes pride in my accomplishments at work".

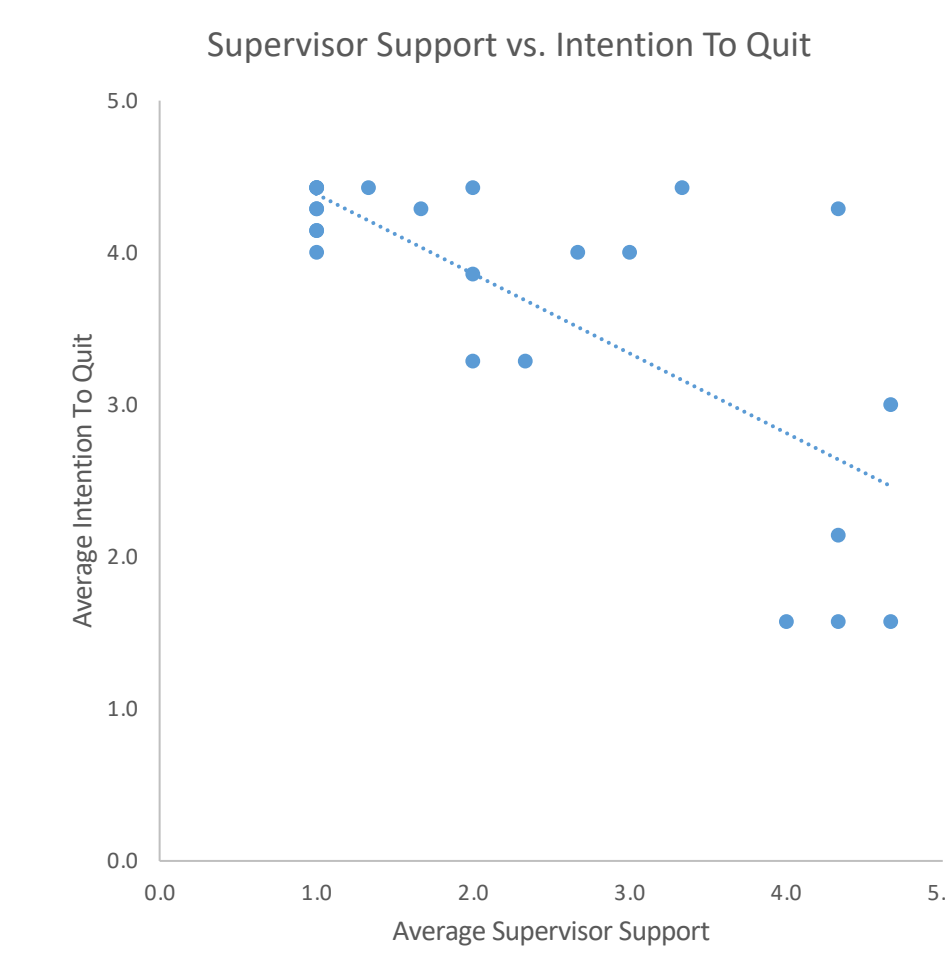
RESULTS

In addition to the measures listed above, respondents were asked to rate different common business practices based on the importance they play in their decision to continue working at their current place of employment. The practices tied with the highest rating were "**Supportive team members**" and "**Clear and frequent communication**" and tied with the second highest rating were "**Type of work fits my interests and goals**" and "**Stable and predictable pay**".

Practices	Mean Score
Supportive team members	4.5
Clear and frequent communication	4.5
Type of work fits my interest and goals	4.4
Stable and predictable pay	4.4
Supportive supervisors	4.3

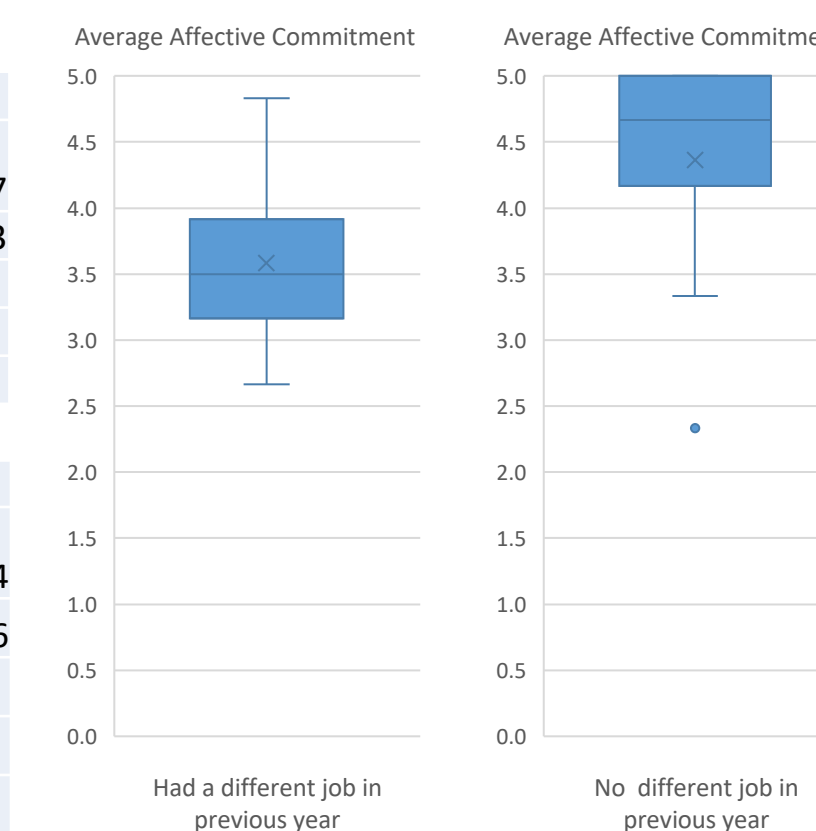
RESULTS CONTINUED

Regression Statistics				
Multiple R	0.733			
R Square	0.537			
Adjusted R Square	0.515			
Standard Error	0.976			
	Coefficients	Standard Error	t Stat	P-value
Intercept	6.133	0.788	7.783	1.276E-07
Avg Sup. Support	-1.025	0.208	-4.934	7.0042E-05



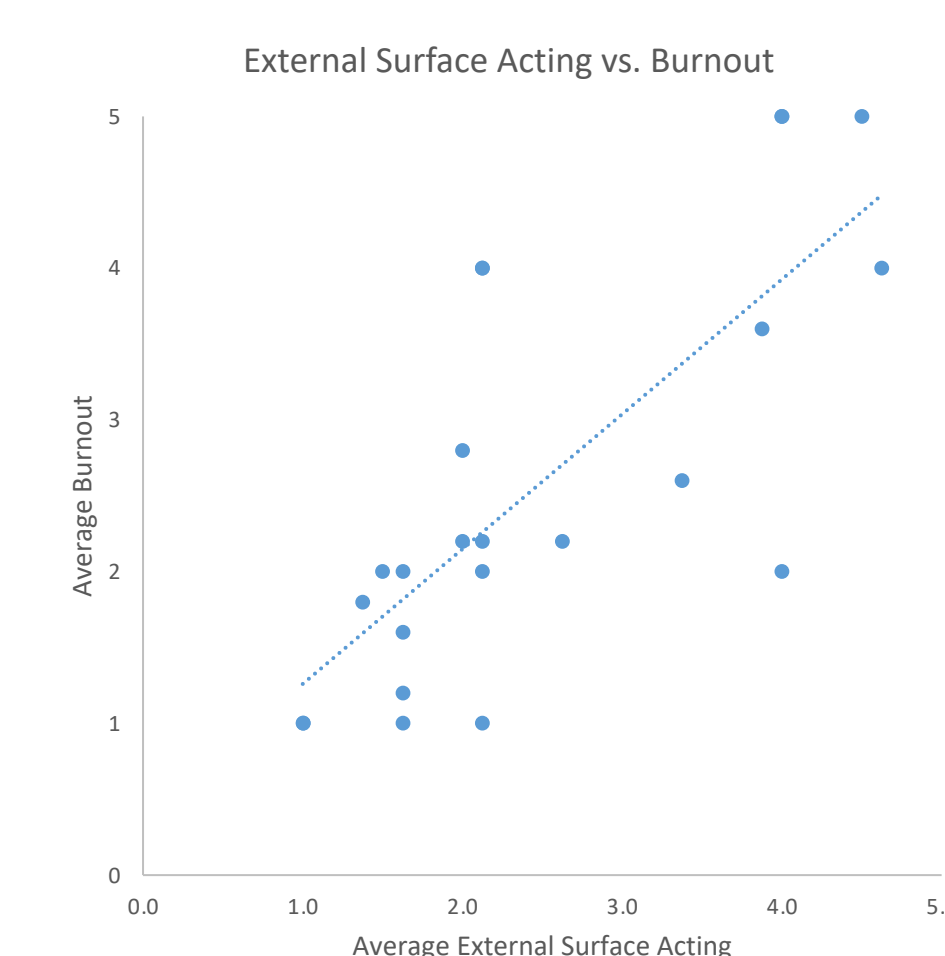
T Test Statistics	Had Different Job	No Other Job
Mean Continuance Comm.	3.076	3.207
Variance	0.221	0.313
t Stat	-0.610	
P-value	0.549	

T Test Statistics	Had Different Job	No Other Job
Mean Affective Comm.	3.583	4.364
Variance	0.381	0.716
t Stat	-2.543	
P-value	0.019	



Mult. Reg. for BO	Coefficients	Std. Error	t Stat	P-value
Intercept	1.276	0.480	2.657	0.016
Int. Surface Act.	0.032	0.234	0.136	0.894
Int. Deep Act.	-0.460	0.375	-1.227	0.236
Ext. Surface Act.	0.675	0.215	3.139	0.006
Int. Deep Act	0.236	0.343	0.689	0.500

Regression Statistics				
Multiple R	0.757			
R Square	0.573			
Adjusted R Square	0.552			
Standard Error	0.768			
	Coefficients	Standard Error	t Stat	P-value
Intercept	0.820	0.351	2.334	0.0296
Ext. Surface Act.	0.644	0.121	5.305	2.9291E-05



FINDINGS & DISCUSSION

Hypothesis 1: Supported

A significant negative relationship was found between perceived Supervisor Support and Intention To Quit, such that when employees feel more supported, they are less likely to think about leaving.

Hypothesis 2: Not Supported for Continuance Commitment

There was no statistically significant difference in continuance commitment whether an employee had a different job in the past year or not.

Post-hoc analysis: There was a significant difference between groups for Affective Commitment, emotional connection to the organization (Meyer and Allen, 1997), where those who had been in the same job for a year had higher affective commitment.

Hypothesis 3: Partially supported; external surface acting was significantly related to burnout

A multiple regression was run to examine how employee's surface acting and deep acting (both internally within and externally outside of the organization) related to burnout. Results showed a significant positive relationship between external surface acting and burnout such that the more the employee surface acts, the more burnt out they feel.

The negative relationship between Supervisor Support and Intention To Quit is also evident in qualitative responses collected at the end of the survey. Employees stated that things such as supervisor attitude and company apathy most negatively impacted their decision to stay.

Whether a respondent had a different job in the previous year reflects the "Great Reshuffle" the U.S. workforce is currently experiencing. While employees were not tied to the company because they were worried about the costs of leaving (aligned with the idea of the Great Reshuffle), those that were with the organization for over a year had an increased emotional connection to the job.

Of the top five highest-rated business practices that kept employees in these brick-and-mortar positions, a majority focused on environmental work factors. In terms of pay, stability/predictability of pay was the only factor of such in the top five. Recommendations for small businesses include focusing on culture, supportive work practices, and creating interesting work.

REFERENCES

- ¹ *Unemployment Insurance Relief During COVID-19 Outbreak.* (2020). U.S. Department of Labor. <https://www.dol.gov/coronavirus/unemployment-insurance>
- ² *Job Openings and Labor Turnover Archived News Releases.* (2022, March 29). U.S. Bureau of Labor Statistics. <https://www.bls.gov/bls/news-release/jolts.htm>
- ³ Segal, E. (2021, December 10). *The Great Disconnect: Many More Employers Than Workers Want To Return To Offices.* Forbes. <https://www.forbes.com/sites/edwardsegal/2021/10/05/the-great-disconnect-many-more-employers-than-workers-want-to-return-to-offices/?sh=6e06d40d1ad3>

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