

Covid-19: overcoming obstacles to virtual inclusion for City of London workers



In March 2020, as part of the COVID-19 response, firms in the UK made the transition from physical workspaces to virtual ones, with limited or no planning time. A similar pattern happened across the globe with different start dates. Today, most organisations have moved beyond the initial hurdle of shifting their workforce to a virtual format, and are now **searching for a new definition of business as usual**. This need for a new business-as-usual model is echoed in the uncertainty of when lockdown will end, and also an expectation that physical distancing restrictions that are introduced when it does will imply significant amounts of workers still need to work at home.

At this unusual time managers should care about inclusion because if they get it right, both physically and virtually, there are known big gains to bottom-line outcomes.

My new paper “Virtual inclusion in the City” **aims to understand the obstacles that stand in the way of virtual inclusion for the City of London’s workers and pose solutions to these obstacles leveraging behavioural science insights. To identify obstacles I spoke with 35 of the City of London’s most senior leaders.** These leaders came from 16 companies and comprised chief executive officers and other executive committee members (5), non-executive board (2), income generators – managing director level + or equivalent (15), senior HR (5) and senior non-HR functions (first line of defence, technology, risk and audit) (8). The companies represented are: Aberdeen Standard Capital, Alliance Bernstein, Allianz Global Investors, Citi, CIBC, Goldman Sachs, HSBC, ING, J.P. Morgan, Mustard Seed, NatWest, Rathbones, Refinitiv, Standard Chartered, Starling Bank and UBS. I was specifically interested in these leader’s thoughts on obstacles to virtual inclusion in the current context and what their current best practice was. In my paper, I took the ten most often cited obstacles and recommended three actions on how to combat them, drawing on behavioural science insights. Here I discuss three highlights.

The first obstacle I identified was that **physical distance leads to psychological distance. This is a stylised fact already well established in the behavioural science literature.** When working at home there is an obvious physical distance between co-workers. If this is not paid attention to it **can cause an increase in an employee’s psychological distance from their firm.** Decreasing social connections among colleagues causes lower levels of impromptu conversations that stimulate creative and innovative solutions, erodes attachment to the organisation and makes it even more difficult for managers to monitor the progress of their team members on core tasks. Together these consequences have obvious negative impacts on the day to day running of the firm, along with its future trajectory. In addition, lower levels of connectedness increase behavioural risk. This arises as psychological distance, independent of physical distance, is a factor that determines conduct and culture.

What can we do to decrease psychological distance during the COVID-19 lockdown?

1. We can *humanise our interactions with colleagues*. Leveraging video technology, examples of humanising interactions with colleagues include turning the coffee break into a virtual coffee break, scheduling water-cooler meetings with open agendas, having a buddy system that connects colleagues outside work hours and organising virtual meetings for the sole purpose of being social.
2. We can actively seek out, listen to and action our colleague's feedback. This can set off a virtuous cycle as **colleagues realise they are being listened to despite physical distance, lowering psychological distance**.
3. We can open our *virtual door*. Practically, this implies **keeping a video conference line open for the same time period each day for anyone to drop in**. This process can also be opened out to other colleagues that we are not directly working with who we wish to maintain ties too.

The virtual listening tour also identified that managers should pay specific attention to **communication over the lockdown period**. The COVID-19 response has led to a period of great uncertainty for many employees. Many firms are going through a period of flux, for example downward demand shifts, changing modes of customer delivery and relocating workers from site to home. These changes increase the need for effective communications within the firm, but **it can be difficult to get key messages to land because of information overload**.

What habits can managers adopt to allow communications to be more effective over this time?

1. *They can focus on giving certainty*. Giving certainty in a period of uncertainty can help employee wellbeing, with knock-on effects to productivity. **Having an update message from the CEO or equivalent leader, which candidly describes the knock-on effects COVID-19 is having on the business prevents employees seeking out information to deal with their uncertainty**. Having to seek information exposes employees to anxiety and other negative emotions, which is compounded if the information they find lacks clarity, is incorrect or bears bad news. Information in this key communication should be clear and to the point, with no room for misinterpretation, with an accompanying authentic message that encourages employees to look after their own health and wellbeing. The message should be sent out at a set day and time to provide certainty of when this key communication will arise and be written in plain language.
2. *They can make salient what is important to focus on*. During this period of uncertainty, with the added complexity of a transition to at-home working, **managers should provide clarity to team members on what tasks are pressing, and identify tasks that can be dropped or put on ice**. These messages can be delivered in virtual person ideally, with the major message on key tasks described early in the conversation, and re-iterated at the end of the conversation. This saliency helps provide clear messages to employees about what they should be focused on.
3. *Managers can pay attention to messenger effects and framing*: **Firms can have more effective communications if they devote time to understanding how best to frame their desired message, and who the ideal messenger should be at any one occasion**.

The leaders I spoke to also relayed a difficulty in managing staff in such an unfamiliar and uncertain context, with one of the biggest challenges in terms of inclusion being the uncertainty as to how long virtual working will last. This uncertainty poses challenges in maintaining employees' motivation for continuing to work at home. At the same time, it is likely that within many employee's households there are added pressures which may include feelings of financial insecurity, persons falling ill and caring responsibilities.

How can things be made easier in this context?

1. We can all be more patient than usual with one another's mistakes and productivity levels. This helps avoid the fundamental attribution error, whereby an outcome is viewed as a reflection of the person rather than simply the situation they are in. Or in other words, an outcome is viewed as a reflection of a person's ability rather than luck. **Practising this thinking style within teams can also help foster a culture of trust**.
2. *We can celebrate small wins*. Loss aversion causes negative events to loom larger over our lives when they happen as compared to comparable positive events. During this period of transition many households are dealing with negative financial and/or health shocks. In addition, simply worrying that these things may happen causes strain, given that anticipation is a life experience in itself. At this time when it is easy to count our losses, **it is worth making conscious efforts to shift our focus, and those of the people we work with towards celebrating small wins more regularly**.
3. *We can re-focus attention*. By pausing when something negative happens at work, like a failure or a problem, and putting ourselves in an activity that takes our mind off it we can **minimise the likelihood of the affect**

heuristic, a mental shortcut that causes decisions and reactions to happen quickly when emotional, that are not necessarily in the firms or an individual's best interest. During a social virtual meeting we can even discuss with colleagues what these pause activities can be.

In *Virtual Inclusion in the City* I set out to listen to a relatively large number of individuals who work in financial and professional services in the City of London. My aim was to identify their perceived obstacles to enhancing virtual inclusion in their firm during the COVID-19 lockdown. Here I have discussed three out of the ten obstacles I describe in my paper.

On this virtual listening tour, I also noticed a theme of kindness, with the leaders who I connected with being clearly willing to ease the new burdens on their team members. I heard of children being entertained virtually with daily story telling by one executive, another City worker who organised a virtual birthday party for a colleague living alone and stories of friendships blossoming through an opt-in buddy system in one major firm. To the extent that such behaviours can be sustained and replicated during the COVID-19 lockdown, I am optimistic that collegial relationships will flourish during this period.

May I encourage you to try and improve virtual inclusion in your firm today?

This article is also available in [Spanish](#).



Notes:

- This blog post is based on [Virtual Inclusion in the City](#).
- The post expresses the views of its author(s), not the position of LSE Business Review or the London School of Economics.
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Grace Lordan is an associate professor in behavioural science at LSE and director of the [Inclusion Initiative](#). She is an economist by background, and her research is focused on understanding why some individuals succeed over others because of factors beyond their control. In this regard, she has expertise on the effects of unconscious bias, discrimination and technology changes. Grace is also interested in using the techniques of behavioural science to design interventions for firms to promote good conduct, diversity and inclusion and curb biases that creep into high stakes decision-making. She has advised and given talks to large investment banks and international conferences on these topics. She has also led projects to advise commissioners in the UK and policy makers in the EC. At LSE, Grace trains executives in these approaches through her teaching on corporate behaviour and decision-making. You can find her at g.lordan@lse.ac.uk, and on Twitter: [@LSE_TII](#) and [@GraceLordan_](#)