

SHIFT

Shift
2024 Global Culture Report
O.C. Tanner Institute

HOW TO USE THE 2024 GLOBAL CULTURE REPORT

Every organization, leader, and employee is experiencing a new workplace still taking shape due to fundamental shifts in our expectations. Why do we work? Where do we work best? How can we meet the needs of both our business and our people? These are big questions—and we're hard at work answering them with the world's best companies. We hope you'll find some direction in this report. To help you get the most out of it, here are a few suggestions.

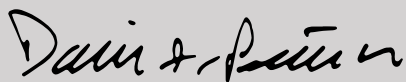
First, there's actionable advice in the research. A few of our favorite themes include:

- People-centric solutions win and endure.
Invite your people to share their voices.
- Every employee wants to feel seen and valued.
Create solutions to reach them all.
- Resilience must exceed surviving the next challenge.
Cultures can be less reactionary and more reliable.

Next, look for points where the data intersect with what you need most and next in your organization. No culture can put the insights of this research into practice all at once. As you read, trust your intuition about which principles would be of the greatest benefit to your people and your business.

Finally, we're all navigating a rapidly evolving business and human landscape. No one has it figured out yet, but we know for certain that we need the best our people can give to meet the moment. Let's start by elevating our people's experience at work and our company cultures.

Thank you for joining us on this journey. Whether you're a committed client or simply a fellow believer that all people should thrive at work, we're extremely proud to see our insights and solutions help organizations scale their impact and their greatness.



David Petersen
CEO, O.C. Tanner

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Given how much workplace cultures have changed over the past three years, one might expect at least a short period of stasis. Our research this year suggests no such thing. The fundamentals of work, the priorities of employees, and the role of leaders all continue to evolve, and this year's report presents a roadmap with insights to navigate the transformation already underway. This journey will compel organizations to take a closer look at how they manage change as well as how they show empathy, practice flexibility, build skills, and develop resilience. Many of these concepts should be familiar to professionals who shape their cultures. But as you'll see, these models are changing quickly, too.

The road ahead undoubtedly includes the essential, frontline workers who form the backbone of numerous industries. Recognizing their work is a critical first step. The second, according to our research, is transforming appreciation into action. Once leaders have a deep comprehension of employees' experiences, challenges, and aspirations, they can translate it into tangible support and ensure each person feels a sense of belonging, fulfillment, and connection.

This merging of recognition and empathy is a strategic necessity for attracting and retaining talent. Organizations that truly see, hear, and value employees can turn empathy from a buzzword into an impactful, teachable practice and create environments where people know they're valued and respond with loyalty and great work.

Our report also highlights the powerful forces of skill building and flexibility. The future of work belongs to organizations that promote perpetual learning and development. However, as the boundaries between professional and personal life increasingly blur, employees also crave balance—a need met by flexibility enriched with fairness that respects individuals' unique circumstances and contributions.

Two final themes shed new light on the topics of resilience and change management. Organizations that combine proactivity with perseverance, and approach change with a greater focus on people, can expect to weather storms and consistently emerge stronger.

For 2024, the O.C. Tanner Institute assembled the diverse perspectives of thousands of employees, leaders, HR practitioners, and business executives across the globe. Our goal: to equip HR leaders with the necessary insights and strategies to meet today's most immediate and consequential challenges head on.

By fostering cultures of resilience, empathy, and meaningful appreciation, we can ensure our employees and organizations benefit from every change that awaits us.

It may be many years before we fully grasp the long-term effects of the Covid pandemic on workplace cultures. But we do know that for most organizations, the corollaries were seismic. And while this past year was nowhere near as destabilizing as the two before, it had its share of aftershocks—small but powerful shifts that make us question what’s to come. We’ve seen shifts in job requirements and skills gaps, shifts in employee needs and expectations, and significant shifts in how, when, and where people are willing to work—as well as what they’ll work for. But just as important are the shifts organizations can make now to address new realities and lead, rather than survive, the next wave of change.

Many organizations have already adjusted their policies and philosophies around schedules, work locations, benefits, and career development. Others, however, may feel weary, burned out, or even paralyzed after years of intense and rapid transformation.

The most important thing to remember is that proactive changes needn't be dramatic to be effective. Seemingly minor shifts can lead to major success if organizations keep employees at the forefront of decision-making. Our research shows a people-centered approach fosters cultures where employees feel fulfilled and ultimately drives better business outcomes.

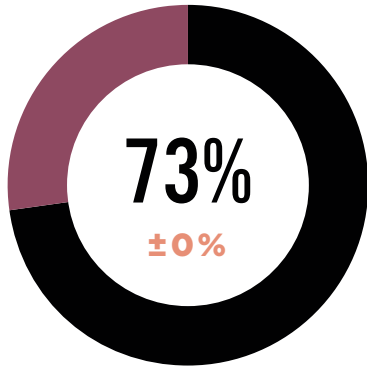
As workplaces evolve in various ways, organizations will need to work closely with employees to create solutions and environments where all can thrive. Traditional methods of leadership, top-down tactics, and “business as usual” are not viable answers.

Fortunately, we have some alternatives. This report reveals the insights, strategies, and principles that enable HR leaders to build thriving workplace cultures—where employees want to come, do their best work, and stay—in the face of ongoing change.

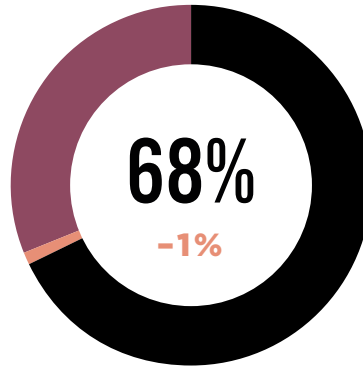
Let's start with a look at how culture has shifted over the past year.

CHANGES IN TALENT MAGNET™ AREAS

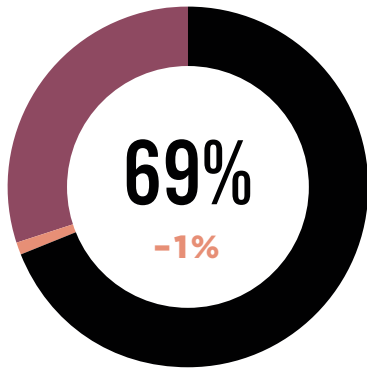
Each year we measure changes in the six core elements of workplace culture that together determine employee decisions to join, engage with, and remain at any place of work. We call them Talent Magnets because of their power to attract and connect people to their teams and organizations.



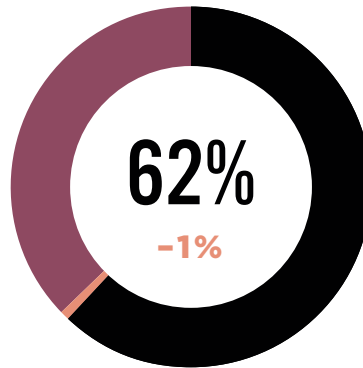
EMPLOYEE SENSE OF PURPOSE



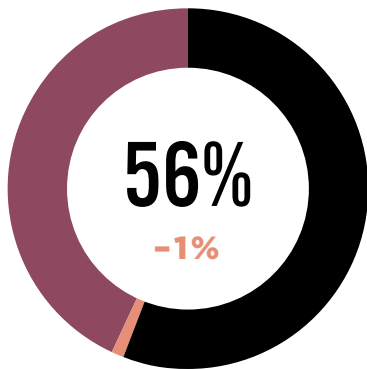
EMPLOYEE SENSE OF OPPORTUNITY



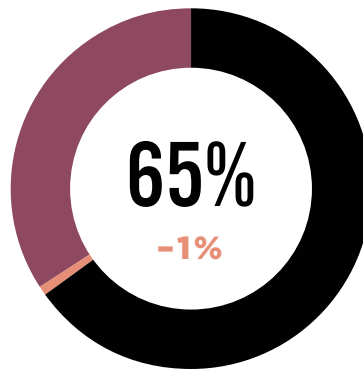
EMPLOYEE SENSE OF SUCCESS



EMPLOYEE SENSE OF APPRECIATION



EMPLOYEE SENSE OF WELLBEING



EMPLOYEE SENSE OF LEADERSHIP

Figure 1. ALMOST ALL TALENT MAGNET SCORES FELL SLIGHTLY YEAR OVER YEAR
Current state of six essential elements that define thriving cultures.

YEAR-OVER-YEAR CHANGE

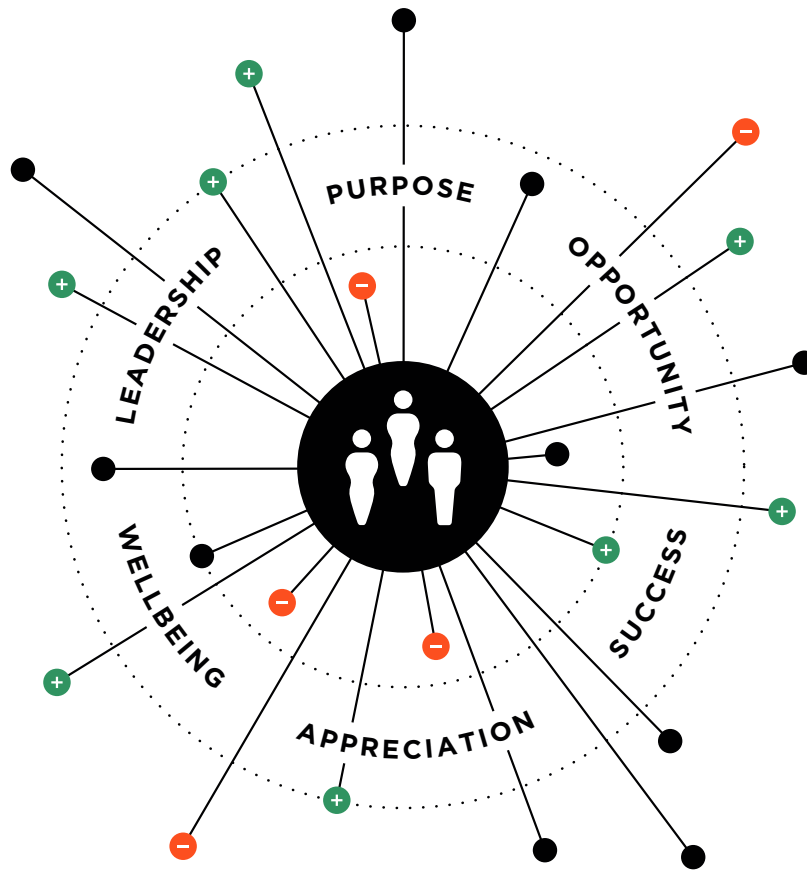


Figure 2. THE TALENT MAGNETS
Six essential elements that define thriving workplace cultures.

1. Purpose

An organization's reason for being besides profits. It's the difference it makes in the world, why the company exists. Employees need to feel connected to the purpose and understand how their jobs contribute to it. Once they do, their work takes on meaning. Organizations should clearly articulate the connection between work and purpose.

2. Opportunity

The chance to develop new skills, contribute to meaningful work, feel challenged, have a voice, and grow. Opportunity is more than the lure of promotions and pay increases. It's about preparing and empowering employees to make decisions, inviting them to the table, and offering them projects that will expand their skills and relationships.

3. Success

The thrill of accomplishment, innovation, breaking barriers, playing on a winning team, and experiencing victories. Employees must find success at the individual, team, and organizational levels, and it should be nurtured and publicly celebrated.

4. Appreciation

Feeling valued for one's contributions and being recognized for one's worth. Appreciation is essential to employees—people need to know their leaders and peers notice and are grateful for their efforts and contributions. Appreciation is most effective when it's delivered in timely, personal, and meaningful ways.

5. Wellbeing

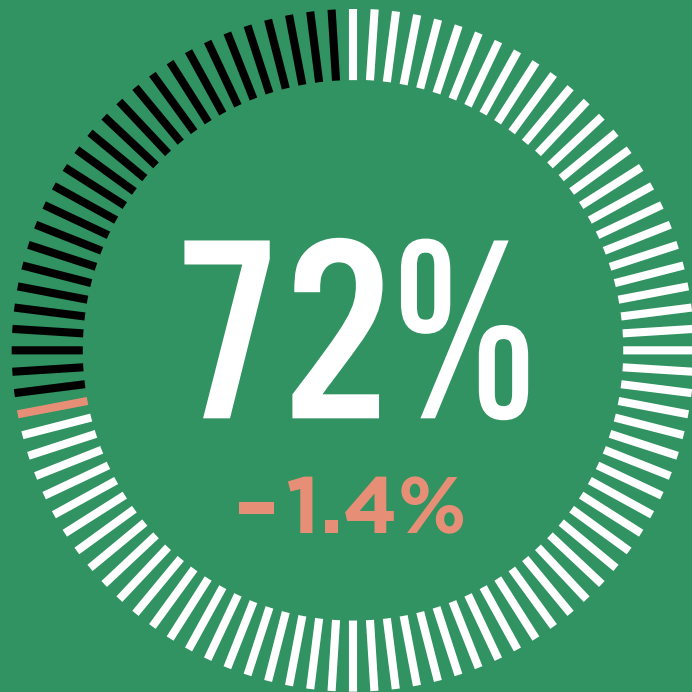
Caring about the employee as a whole—their physical, emotional, social, and financial health. Wellbeing ensures employees can be their strongest, most capable, most authentic selves at work. A comprehensive approach to wellbeing requires leaders to create an environment of inclusivity, life balance, and connection.

6. Leadership

The mentoring, coaching, inspiring, and facilitating that allow individuals, teams, and, ultimately, organizations to succeed. Great leaders co-create a shared purpose for their teams and empower their employees to do great work. As the most influential of the six Talent Magnets, leadership cultivates the other five.

Taken separately, Talent Magnet scores haven't changed much—all except purpose fell by only one percentage point over the last year. As we track other cultural metrics, we find the same lack of movement in employee engagement. Geographically, IMEA scores the highest and Europe the lowest on all culture measures except for wellbeing. The Americas report the highest wellbeing score for employees.

From one perspective, recent challenges appear to have had a minimal negative impact. But from another, not a single culture score has improved.



**THE AVERAGE ENGAGEMENT
SCORE IS DOWN 1.4 PERCENT
FROM LAST YEAR**

OPPORTUNITIES FOR ORGANIZATIONS IN 2024

Based on our research, we see six possible shifts that are well worth organizations' proactive attention.

1. A culture of nimble resilience

HR leaders can help their cultures become more adaptable and innovative. This shift requires replacing traditional, reactive approaches to resilience with one that centers on people, celebrates diverse perspectives, and fosters cross-disciplinary collaboration.

2. Equitable flexibility for all employees

People now expect greater flexibility in when, where, and how they work. And without it, they're more likely leave an employer. However, incorporating flexibility equitably and without compromising the organization's needs is a significant challenge. The key is tailoring flexibility to employees in their many, varied roles.

3. Practical, empathetic leadership

Empathy is often loosely defined and implemented without training or boundaries, resulting in "empathy fatigue" among leaders and coworkers. Leaders must understand and act in response to their people's needs, challenges, and potential in order to create a culture where both employees and leaders feel supported and connected.

4. Awareness of the 80% experience

The difference between the experience of corporate employees and that of "the 80%" (a term we'll unpack thoroughly) presents a major challenge. Employees in the 80% are critical to operations, yet they report being overlooked and undervalued. Many feel disconnected from their organization, suffer from high burnout and attrition, and express resignation to unfulfilling work experiences due to lack of support, opportunity, and voice.

5. Improved skill-building programs

Also known as upskilling, this popular business trend is growing as employees seek new opportunities and education, and as organizations strive to improve retention. Upskilling programs are essential for recruiting and keeping top talent; however, employers face challenges, including avoiding potential pitfalls and meeting both employee and organizational needs.

6. More effective change management

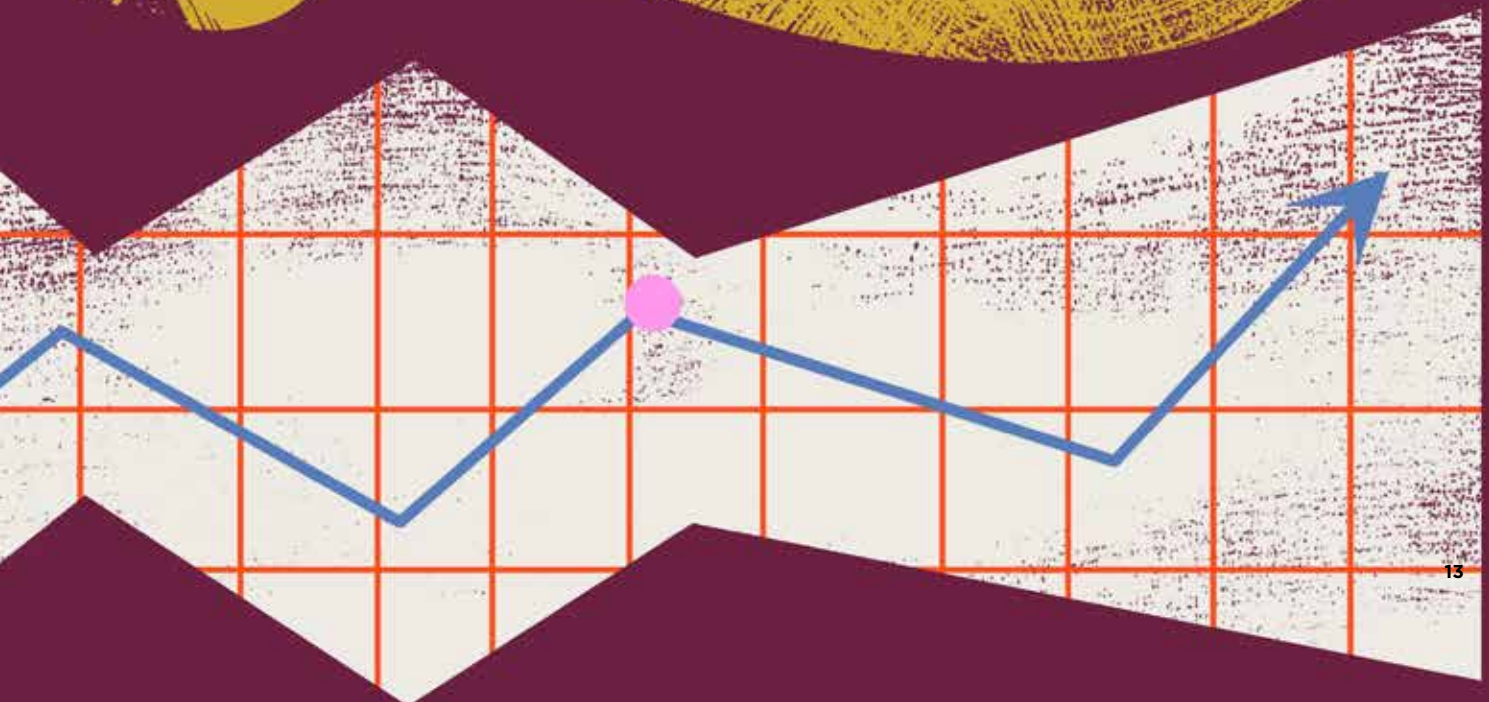
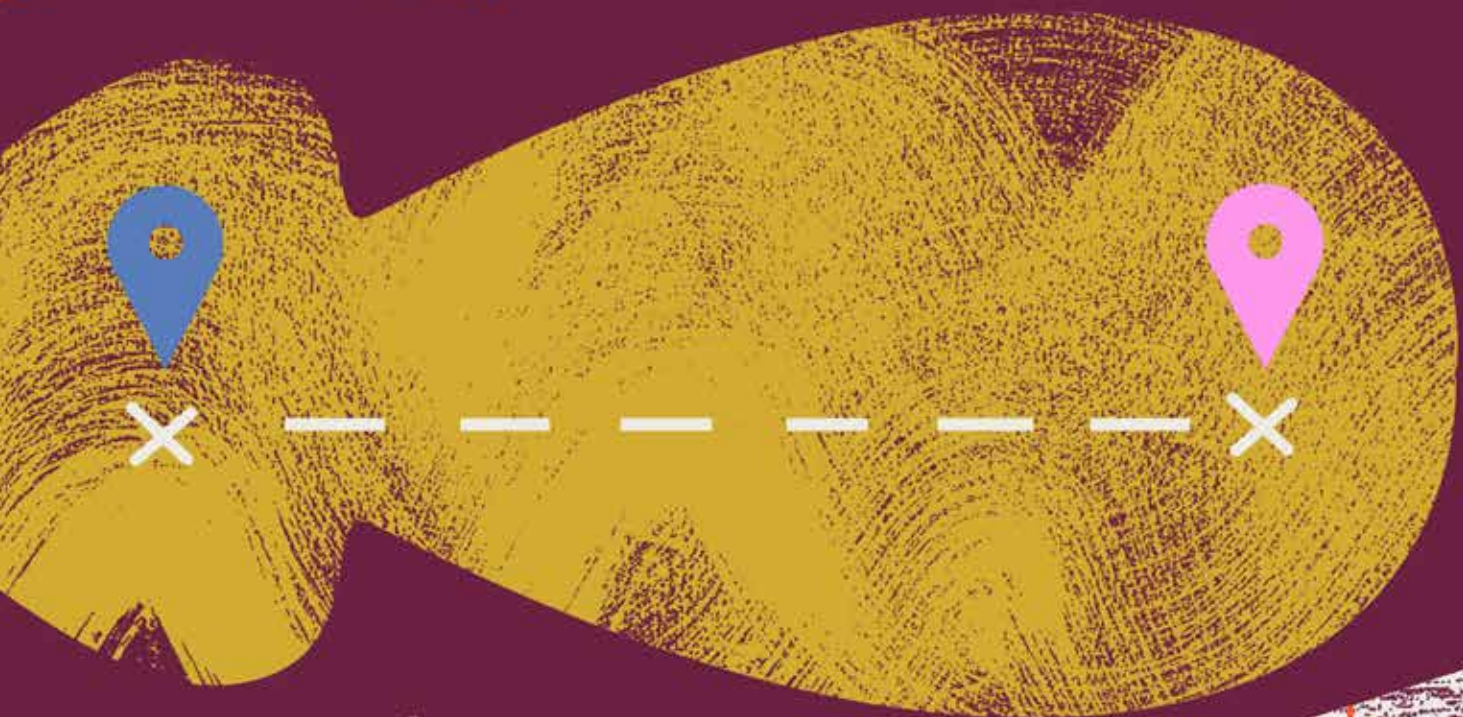
Over the past three years, the rapidly evolving work environment has taken a toll on morale, wellbeing, and turnover. To counter these effects, organizations need to focus on employees throughout the change management process and earn their trust. And cultivating greater trust requires giving people a voice and empowering leaders at all levels.

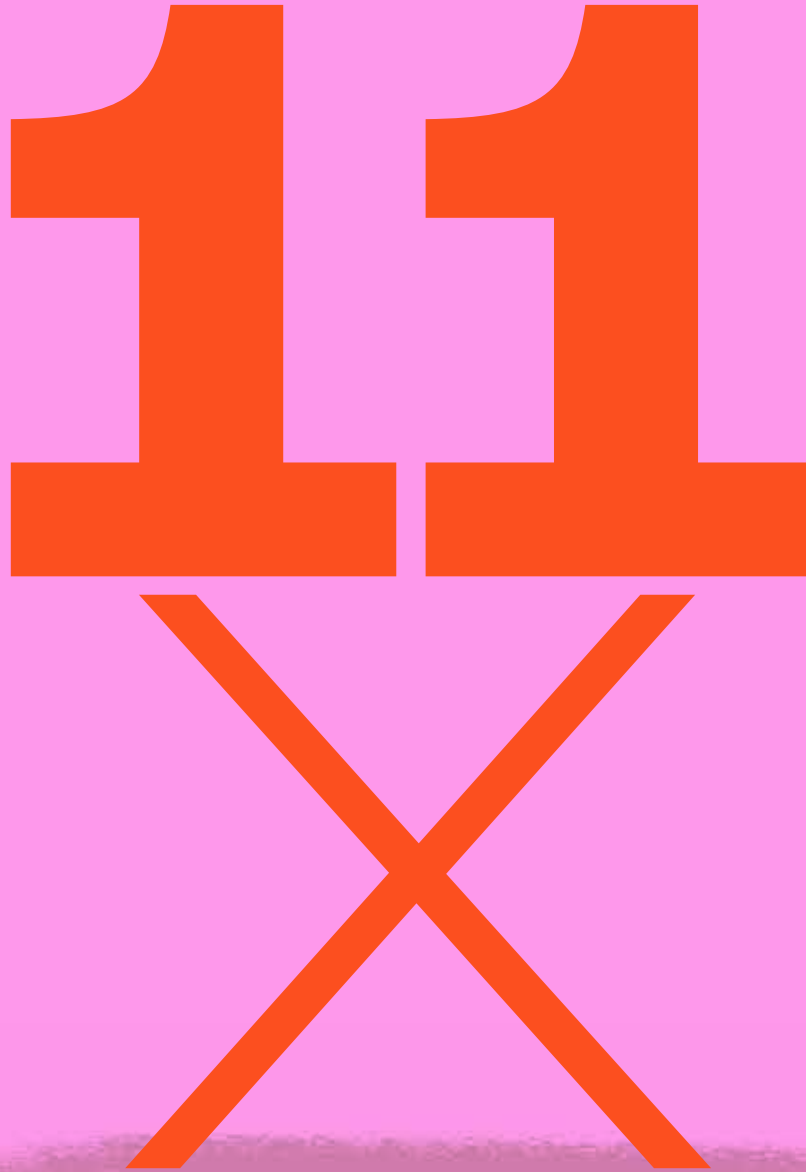
While change and uncertainty always seem to be on the horizon, successful organizations prepare for them. As you consider the following pages, keep in mind you don't need to overhaul your culture programs and initiatives. As our findings demonstrate, small, consistent adjustments that put a sharper focus on employees will return large and lasting dividends.

Embracing Change



Traditional change management is no match for the modern workplace. Missing from the equation: A focus on people.





**INCREASED ODDS OF POSITIVE-
CHANGE EXPERIENCES AT
PEOPLE-CENTERED ORGANIZATIONS**

Most individuals and organizations accept the notion that change—while not always welcome—is inevitable. They know that industries, companies, and jobs must adapt, evolve, and innovate to survive. However, the pace of change in our workplaces has exceeded the horsepower of traditional change management practices. Ironically, these practices themselves now need to change, and catching up will require shifting to a people-centered approach that emphasizes a strong culture, empowers leaders at all levels, and provides transparency and voice to employees during the change process. Managing rapid and disruptive change may never be easy, but it can be far more effective when it focuses on people and their wellbeing.

INTRODUCTION

Between refining hybrid ways of working, adopting powerful new technology, and contending with an ongoing talent shortage, a perpetual state of change has become the new normal. According to Gartner, the average employee experienced 10 planned enterprise changes last year, up from two in 2016¹ (not to mention unplanned changes). Yet despite the ubiquity of change in the modern workplace, the mere mention of the word can still create feelings of skepticism, anxiety, and fear among employees, in part because organizations' change management plans have fallen flat—only 15% of employees feel confident their leaders can manage change and disruption in the future.²

Traditional change management practices, which tend to be linear, top-down, and process-oriented, no longer fit our evolving work environments. They also fail to involve employees (and many managers) in the planning. In short, they underestimate and under-prioritize people. This explains why Gartner finds only 34% of all organizational change initiatives are considered a “clear success” and 50% are “clear failures.”³

Fortunately, there are some clear solutions.

It's time for organizations to make their people the center of their change strategies. As our research shows, doing so will increase employee wellbeing, strengthen workplace culture, and remove friction from change management processes.

In fact, employees at people-centric organizations are 12x more likely to say their experiences with change were well-managed and 11x more likely to say their experiences with change were positive.

The odds of other beneficial outcomes such as feelings of inclusion, desire to stay, and less burnout also dramatically improve with this approach (5x, 5x, and -78%, respectively).

The fundamental truth is no organizational change is effective or lasting without the support of employees. So the sooner and more completely organizations earn that support, the more successful any change will be.

“Change cannot be put on people. The best way to instill change is to do it with them. Create it with them.”

—LISA BODELL, CEO, FUTURETHINK

FOCUSING ON PEOPLE REQUIRES FOCUSING ON CULTURE

By definition, a people-centered approach to change management means keeping employees in mind throughout the change process. This requires strong communication and healthy workplace culture. In cultures with high trust and mutual respect, employees are more receptive to change.

According to our research, three specific communication and cultural factors make a difference in employees' experiences with change. As detailed in the following table, the most impactful are having support and genuine communication.

COMMUNICATION AND CULTURAL FACTOR	IMPROVED ODDS OF PERCEPTION THAT ORGANIZATIONAL CHANGE IS PEOPLE-CENTERED	IMPROVED ODDS OF PERCEPTION THAT ORGANIZATIONAL CHANGE IS POSITIVE
Adequate support to deal with change	897%	962%
Communication seemed genuine	782%	797%
Adequate training to deal with changes	648%	723%
All three factors are present	5,529%	5,563%

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One key element of cultures that feel supportive and genuine is employee recognition. When people believe they are seen and valued, they can be more confident the organization is implementing change with them in mind. Employees at organizations with highly integrated recognition⁴ (where recognition is frequent, meaningful, and embedded in the culture) are significantly more likely to:

- **Feel they have adequate support to deal with change (9x)**
- **Believe leaders have the tools they need to help employees with change (8x)**
- **Trust the organization (10x)**
- **Believe the organization cares about employees (9x)**
- **Think change is managed well (9x)**
- **Believe changes made are positive (8x)**

In fact, 92% of employees at organizations with integrated recognition believe change in general to be positive. Additionally, they are 18x more likely to say they hope to be at their organization in a year and 5x more likely to say they plan to stay for at least three more years. Having a healthy workplace environment with culture-building activities like integrated recognition is a critical foundation for people-centered change.

LEADERS AT ALL LEVELS MUST BE EMPOWERED TO MANAGE CHANGE

Traditionally, change management is a top-down process, where senior leaders make decisions that mid-level and frontline leaders execute. This can lead to increased stress on middle managers and explains why they often feel like “shock absorbers,”⁵ responsible for the impact of the organization’s choices and changes on employees but removed from the conversations behind those changes. To alleviate this conflict, leaders at all levels must be intentionally and generously informed and equipped to help their people manage change.

Our research finds only 27% of leaders feel strongly prepared to help their people navigate change. And according to studies by Willis Towers Watson, only 22% of leaders believe the training they received to manage change was effective.⁶ It’s simply not enough to inform leaders of what changes are coming and why. Organizations must include leaders in the change management process by soliciting and listening to their feedback, giving them the tools and resources needed to help employees embrace the change, and training them on how to co-create a smooth change process.

Employees who perceive their leaders have the tools to help them manage change are:

5x more likely to feel a sense of community

6x more likely to thrive at work

10x more likely to feel a strong sense of trust

76% less likely to experience burnout

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Importantly, when leaders have the tools to help employees manage change, their own risk of burnout decreases by 73%.

“Despite realizing that change is necessary, employees are often afraid of big changes in the organization, preferring the dissatisfaction of the status quo to the risks of a new reality. Often, the most important thing a manager can do is not identify the need for change but provoke the momentum to begin and maintain the change.”

—DAVID GARVIN, PROFESSOR, HARVARD BUSINESS SCHOOL

EXPERIMENTS

A People-Centered Approach

In focus groups we conducted, employees said they want to receive clear and honest communication from their leaders and have their voices heard during change. To test the effectiveness of different levels of communication and voice, we designed two experiments, soliciting feedback from over 13,000 employees.

Our first experiment introduced respondents to a scenario and randomly assigned a control or treatment describing how a leader communicated (or failed to communicate) with employees about the change.

Scenario

One Monday morning, you arrive at work to find your company has announced a broad reorganization. Today, employees will hear the details of the plan and exactly what the reorganization entails.

Experiment 1 Treatments

Vignette 1 (control)	Leader was unaware of the change and was just as surprised as employees regarding the change
Vignette 2	Leader was aware of the change but did not communicate or prepare employees prior to the announcement
Vignette 3	Leader had limited foreknowledge of the change but shared as much as they could with employees prior to the announcement
Vignette 4	Leader had full foreknowledge of the change and shared all the details in full transparency prior to the announcement of the change

We asked respondents a series of questions about trust, retention, and buy-in. All outcomes were self-reported measures on a 0-10 scale, where 0 would be considered not at all likely and 10 would be extremely likely.

Results

The experiment demonstrates that as the level of shared information increases, so do positive outcomes. As leaders share what they know, trust and desire to stay with the organization also improve. However, if employees discover their leader had full knowledge and failed to share it, all desired outcomes drop significantly.

OUTCOME	KEY	LEADER HAD NO KNOWLEDGE OF CHANGE (CONTROL)	LEADER HAD FULL KNOWLEDGE BUT DIDN'T SHARE	LEADER HAD LIMITED KNOWLEDGE BUT SHARED AS MUCH AS THEY COULD	LEADER HAD FULL KNOWLEDGE AND SHARED ALL
Employee trusts the organization	Mean	6.25	-5.78***	6.76***	7.23***
	Effect	—	-0.47	0.51	0.98
	Std. Error	—	-0.0646	0.0641	0.0640
Employee trusts their leader	Mean	6.43	-5.63***	6.93***	7.24***
	Effect	—	-0.80	0.50	0.81
	Std. Error	—	-0.0645	0.0644	0.0642
Employee feels empowered	Mean	6.06	-5.54***	6.48***	6.94***
	Effect	—	-0.52	0.42	0.88
	Std. Error	—	-0.0679	0.0677	0.0676
Employee has a positive opinion of their leader	Mean	6.32	-5.62***	6.74***	7.13***
	Effect	—	-0.70	0.42	0.81
	Std. Error	—	-0.0655	0.0653	0.0652
Employee supports change	Mean	6.32	-5.90***	6.77***	7.10***
	Effect	—	-0.42	0.45	0.78
	Std. Error	—	-0.0631	0.0629	0.0628
Employee desires to stay with organization	Mean	6.53	-6.14***	6.90***	7.19***
	Effect	—	-0.40	0.36	0.66
	Std. Error	—	-0.0619	0.0618	0.0616

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*Table entries include the mean, effects as referenced against the control mean, and robust standard errors. Standard controls have been included for estimate precision. *** $p < 0.001$, ** $p < 0.01$, * $p < 0.05$.*

Experiment 2

In this experiment, our opening scenario (“One Monday morning...”) remained the same; however, our follow-up control and treatment vignettes changed to measure the impact of employee voice via various feedback opportunities.

Experiment 2 Treatments

Vignette 1	Decisions regarding changes were made by executives without any feedback from employees
Vignette 2	The organization solicited feedback from all employees via an online survey
Vignette 3	Several employees (not you) within the organization were invited to participate in a focus group to discuss how changes would affect employees
Vignette 4	Senior leadership held town-hall meetings where employees were invited to hear details of the proposed changes and provide their feedback prior to the changes being implemented
Vignette 5	Several employees (including you) were invited to participate in a focus group to discuss how changes would affect employees
Vignette 6	Direct leaders held one-to-one meetings with employees to discuss proposed changes and get feedback

Results

When employees believe they have a voice and can give input around change, their feelings of trust and desire to stay increase. Compared to the control (no opportunity for input), all treatments have a positive effect, but when employees are not invited to attend focus groups, the effect becomes more muted.

OUTCOME	KEY	NO OPPORTUNITY FOR INPUT (CONTROL)	ONLINE SURVEY
Employee trusts the organization	Mean	5.83	6.92***
	Effect	—	1.092
	Std. Error	—	0.0754
Employee trusts their leader	Mean	5.94	6.89***
	Effect	—	0.95
	Std. Error	—	0.0761
Employee desires to stay with organization	Mean	6.08	7.05***
	Effect	—	0.97
	Std. Error	—	0.0737

*Table entries include the mean, effects as referenced against the control mean, and robust standard errors. Standard controls have been included for estimate precision. *** $p < 0.001$, ** $p < 0.01$, * $p < 0.05$.*

Implications

This experiment demonstrates the causal impact of communication and voice on several employee sentiments related to change. When leaders communicate with their people, they feel greater trust, stronger commitment to changes, and want to stay. Likewise, when employees believe they have a voice in changes that affect them, it also builds trust and a desire to stay. To be sure, a people-centered approach to change makes a significant difference.

	FOCUS GROUP (NOT INVITED)	TOWN-HALL MEETING	FOCUS GROUP (INVITED)	LEADER ONE-TO-ONE
Trust	6.18*** 0.35 0.0759	6.96*** 0.789 0.0765	7.06*** 1.236 0.0753	7.03*** 1.206 0.0767
Commitment	6.22*** 0.28 0.0765	6.93*** 0.71 0.0771	7.05*** 1.11 0.0759	7.06*** 1.12 0.0773
Desire to stay	6.39*** 0.31 0.0742	7.09*** 0.70 0.0748	7.17*** 1.09 0.0736	7.16*** 1.08 0.0750

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HAVING A VOICE HELPS EMPLOYEES PROCESS CHANGE

As illustrated in our experiments, even when people know change cannot be avoided, having a voice in the change can improve their perception of it. Examples of voice include participating in surveys or focus groups, giving feedback in town halls, or having one-to-one conversations with leaders.

When employees have a voice in organizational changes, there are greater odds of:

- **Belief the organization is people-centric (8x)**
- **Feelings of trust (8x)**
- **Sense of community (5x)**
- **Thriving at work (3x)**

Employees with a voice are also more likely to feel a sense of belonging and fulfillment at work, both of which help decrease burnout.⁷

Ultimately, we see change management that's positive and people-centered significantly impacts employees across several cultural metrics, as shown in the next table.

IMPACT	POSITIVE EXPERIENCES WITH CHANGE	EMPLOYEE-CENTERED CHANGE CULTURE
Fulfillment	+494%	+467%
Community	+485%	+458%
Burnout	-78%	-75%
Anxiety	-39%	-25%

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RECOMMENDATIONS

By focusing on culture, empowering all leaders, and giving employees a voice, organizations can make change a more positive experience.

1 Create a healthy culture for change

A culture where employees have high trust and feel valued can safeguard against negative feelings related to change. Similarly, practicing modern leadership—mentoring, advocating, connecting, appreciating, and inspiring people rather than gatekeeping, commanding, or controlling—can help build a thriving culture where employees feel a sense community and lessen the sting of change.

Employees with modern leaders have 3x greater odds of seeing change as positive, partly because modern leaders foster the six Talent Magnets—core elements of workplace culture that together determine employee decisions to join, engage with, and remain at any place of work.

The extent to which each of the Talent Magnets can help build an environment where change is seen as positive:

TALENT MAGNET	INCREASED ODDS OF EXPERIENCING CHANGES POSITIVELY
Purpose	+359%
Opportunity	+478%
Success	+530%
Appreciation	+319%
Wellbeing	+123%
Leadership	+360%

“What people resist is not change per se, but loss.”

—RONALD HEIFETZ, FOUNDING DIRECTOR OF THE CENTER FOR PUBLIC LEADERSHIP AT HARVARD KENNEDY SCHOOL, HARVARD UNIVERSITY

2 Empower all leaders to lead (and manage) change

Just like employees, leaders need help to make change successful. Give them as much information as possible about what the change is and why it needs to happen, as well as time to absorb the news. Decentralize the change management process so leaders at all levels can be involved. And empower organic, grassroots solutions for change. For example, ask leaders what they need to support change for their employees and deliver on it. Get their feedback on how to make the change easier and help them have better conversations with their people. When leaders feel prepared to both lead and manage change, they also feel more empowered, as demonstrated in the following table:

BENEFIT	INCREASE IN POSITIVE IMPACT OF CHANGE READINESS ON LEADER EMPOWERMENT OUTCOMES
Sense of autonomy	6x
Sense of competency	8x
Sense of decision-making authority	8x
Feels supported by senior leaders	6.4x
Feels properly recognized for their work	7x

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3 Develop a consistent, transparent communication strategy

Create a robust communication plan and use it early and often. Give leaders at all levels information and tools to talk about the change with their teams. And train them to communicate in a way that's transparent, builds connection, and allows employees to give feedback. When leaders do this, employees are 3x more likely to say communication with their leaders around the change feels genuine and 3x more likely to believe they have adequate time, support, and opportunity to speak up during the change process.

As shown in the next table, when communication during change is early, frequent, clear, and honest, employees are also more likely to believe their organizations care about them.

BEST PRACTICE	INCREASE IN LIKELIHOOD OF PERCEPTION THAT THE ORGANIZATION CARES ABOUT EMPLOYEES
Communication happened early	7.5x
Communication was frequent	7x
Communication was clear	10x
Communication felt honest	10x

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Holistic communication throughout the process—before, during, and after the change—is key. And end the experience positively. When employees feel a sense of closure following the change, the odds are 5x greater they'll be satisfied with their involvement.



CASE STUDY—IMPROVING CULTURE THROUGH LISTENING AND COMMUNICATING

When Insurance Australia Group Limited (IAG) embarked on a cultural transformation in 2020, it placed employees at the front of its change strategy. First, it gathered feedback from people at every level and in every region with surveys and listening workshops to understand employee perspectives, including what mattered most and how to best design for the future. Then, a comprehensive change campaign across multiple channels provided regular, clear communication to unite the organization and bring people's voices to life. And now, a network made up of employees supported by 18 executives regularly reviews insights, shares data and ideas, and creates cultural change from multiple angles, not just from the top down.

According to Gillian Folkes, Executive General Manager, Culture and Leadership, "A significant contributor to our success in the uplift has been the ongoing executive support and leader buy-in and role-modeling."⁸

4 Give employees a voice in change by seeking their feedback

Surveys, focus groups, town halls, and one-to-one meetings all impact perceptions that change is positive; however, when organizations use all four methods of gathering feedback, the odds that the change is perceived positively improve by 1,284%.

As the following table shows, when organizations solicit, use, and acknowledge feedback, employees are less likely to feel anxious and more likely to stay.

OUTCOME	CHANGE IN ANXIETY SCORES	CHANGE IN ONE-YEAR RETENTION
Organization took my feedback into account	-35%	+326%
Organization communicated on how they used employee feedback	-43%	+337%
Organization acknowledged me for giving feedback	-41%	+368%
Organization appreciated me for giving feedback	-40%	+322%

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CASE STUDY—KEEPING A TECH CHANGE FOCUSED ON PEOPLE

When Microsoft set out to standardize the way it tracks sales and operations activities across the company, it knew the biggest obstacle wasn't the new tool itself. "Even at Microsoft, people don't just accept new business processes and go work the way you tell them to," says Rudy Neiryck, Senior Business Program Manager in Employee Experience.

The company centered all communication, training, and reinforcement efforts around its people. Pilot projects, existing listening systems, and structured feedback channels helped it understand how employees were adapting. And it asked primary users of the tool to help champion the change.

The result: Today over 30,000 users in 95 countries use the new reporting platform.⁹

EMBRACING CHANGE—KEY TAKEAWAYS

The future of change management focuses on people.

A strong culture is the foundation of a people-centered approach to change.

Organizations must empower leaders at all levels to help teams manage change.

Employees want transparent communication and a voice in the change process.

Embracing Change Sources

1. "Employees Are Losing Patience with Change Initiatives," Cian O. Morain and Peter Aykens, Harvard Business Review, May 9, 2023.
2. The Odgers Berndtson Leadership Conference Index 2020, Odgers Berndtson and Harvard Business Review Analytic Services, 2020.
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4. "Integrated Recognition," 2023 Global Culture Report, O.C. Tanner Institute.
5. "Leadership at Risk," 2023 Global Culture Report, O.C. Tanner Institute.
6. "The Neuroscience of Why Organizational Change Fails," Alan Caugant, LinkedIn Pulse, December 2, 2021.
7. "Workplace Community," 2023 Global Culture Report, O.C. Tanner Institute.
8. O.C. Tanner Client Story, 2021.
9. "How Microsoft Used Change Management Best Practices to Launch a New Business Intelligence Platform," Serah Delaini, Microsoft Inside Track, February 6, 2023.

Practical Empathy



Beyond listening or feeling is a power focused on individuals' needs, grounded in understanding, and backed by action.



41%

**OF EMPLOYEES FEEL THEIR
LEADERS' EXPRESSIONS OF EMPATHY ARE
EMPTY OF MEANINGFUL DEEDS**

Empathy is a well-traveled and familiar virtue, but that hasn't helped it translate to the workplace. Its complexity and less-than-universal applications have often led to confusion, frustration, and even fatigue in leaders. Fortunately, our research this year uncovered a handful of keys that make empathy more potent, less painful, and, in a single word, practical. Practical empathy hinges on identifying, understanding, and actively meeting employee needs. Not only does it increase employees' sense of belonging and connection, it improves business outcomes like attracting and retaining talent. As a close companion of appreciation, there are few better tools for tackling a range of culture challenges.

INTRODUCTION

In the first quarter of 2023, tens of thousands of employees at technology companies worldwide lost their jobs. Some of the organizations conducted layoffs in person, addressing people's emotions and needs, taking responsibility for the circumstances or the decision, and helping employees extend their benefits and find new positions. Other organizations, however, made headlines for communicating terminations via mass emails or Zoom meetings, or by simply shutting down employees' system access and keycards. The less gracious farewells were notable for several reasons, but one is that, for many years, these companies preached a gospel of empathy.

In a survey of 150 CEOs by Harvard Business Review, 80% said empathy was a key to success.¹

Such leaders have been asking and testing big questions like: How do you build an empathetic culture? Is empathy an inherent trait, or is it a skill to learn and develop? And, not least of all, how does empathy lead to greater business results?

While most leaders would agree empathy is a valuable part of the employee experience, there is, unfortunately, little consensus on how to apply it. This is because empathy, by itself, is merely a shared feeling. We may seek to understand and care about what another person is experiencing, but that is often not enough to resolve an issue or make a meaningful difference. According to our research, for empathy to be effective at work, it needs a supporting action.

Traditional models of empathy don't meet employee needs in either an actionable or sustainable way. Both leaders and employees are frequently left frustrated by empathy initiatives that are perceived, at best, as "warm and fuzzy" programs with little usefulness. And nearly half (47%) of employees report a lack of follow-through on company promises.²

A people-centered, practical approach to empathy—one that's grounded in understanding and supported by action—will decrease burnout among leaders and help employees find greater belonging, fulfillment, and connection.

“In order for businesses to successfully transform, they must put humans at the center with empathetic leadership to create transparency and provide employees with psychological safety. Empathy is a powerful force that must be embedded organically into every aspect of an organization, otherwise the inconsistency has a dramatic impact on the overall culture and authenticity of an organization.”

—KIM BILLETER, AMERICAS PEOPLE ADVISORY SERVICES LEADER, EY

PRACTICAL EMPATHY IS EMPATHY IN ACTION

Beyond the traditional definition of empathy—the ability to understand and share the feelings of another—practical empathy is a practice of care. It includes all the same elements but focuses on understanding another’s needs and then moves to act on their behalf. Consequently, it also requires guidelines for leaders to provide employees with other resources if issues exceed the leader’s scope of influence.

Our research finds there are six active components to practical empathy in the workplace, at both the leadership and organizational level:

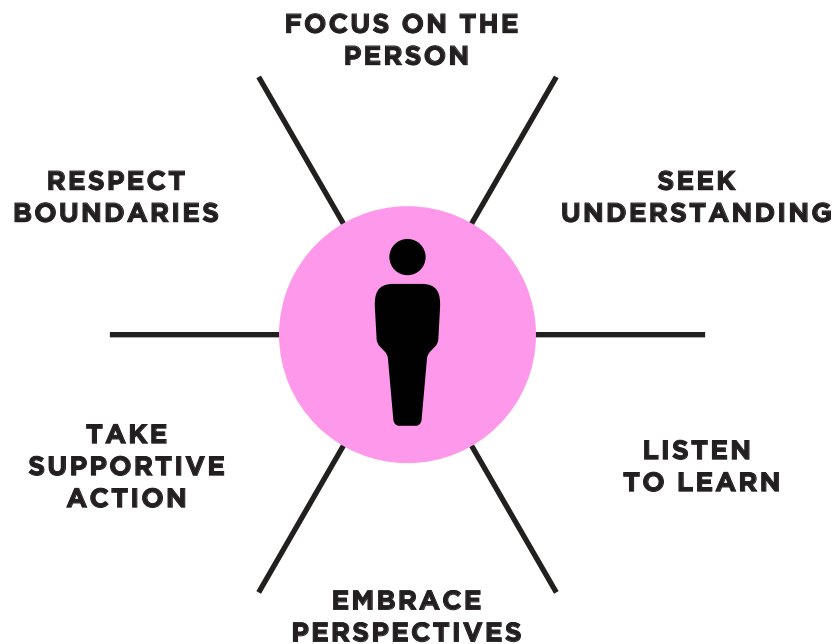


Figure 3. PRACTICAL EMPATHY INDEX
The six components of practical empathy in the workplace.

Focus on the person. Prioritize the individual's needs, challenges, and potential.

Seek understanding. Solicit input and feedback on policies, programs, and their day-to-day employee experiences (both negative and positive).

Listen to learn. Actively listen to the person; don't just demonstrate concern.

Embrace perspectives. Remain open and accepting of different viewpoints.

Take supportive action. Go beyond simply caring and take action on their behalf.

Respect boundaries. Have support resources in place for consistency and so leaders don't have to act as comprehensive support systems.

The lynchpin of practical empathy is the action taken as a result of listening, understanding, and having genuine concern for the person. For the empathy to be effective, it must include supportive action. This could be offering greater flexibility in a job, giving employees a stronger voice or more autonomy, connecting them with additional resources, or just some helpful problem-solving. Practical empathy does not always entail an immediate solution, but it must both acknowledge and address the problem.

Unfortunately, we found only 59% of employees feel their leaders' expressions of empathy are accompanied by meaningful action and support, and only 58% of organizations take action to improve after receiving employee feedback. Yet when leaders and organizations do act, employees are much more likely to feel engaged and fulfilled, as the following table outlines.

OUTCOME	IMPROVED ODDS
Above-average engagement	+1,388%
Sense of fulfillment at work	+894%
Sense of belonging in the workplace	+1,149%
Strong connection to the organization	+896%
Being a Promoter	+718%

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When both leaders and organizations adopt practical empathy as a guiding practice, the impact on the employee experience is profound.

OUTCOME	INCREASE IN ODDS WHEN LEADER IS EMPATHETIC	INCREASE IN ODDS WHEN CULTURE IS EMPATHETIC
Sense of fulfillment at work	+522%	+636%
Sense of belonging in the workplace	+695%	+722%
Strong connection to the organization	+513%	+648%
Rating workplace community as strong	+564%	+658%

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Organizations that create policies and programs that enable the practice of empathy remove the burden from leaders who feel conflicted between the business requirements of the organization and the natural desire to help their people. They also remove ambiguity and any stigma associated with empathy in the workplace. Conversely, organizations that don't make it easier to practice empathy will contribute to leadership stress and burnout.

“Empathy is a muscle, so it needs to be exercised.”

—SATYA NADELLA, CEO, MICROSOFT

THE IMPORTANCE OF UNDERSTANDING—WITH BOUNDARIES

Employees want to feel understood, appreciated, and valued as individuals. When leaders take the time to understand an employee's role, career aspirations, and perspectives, there is:

7x greater odds employees feel a strong connection with their leader

3x greater odds employees feel a sense of belonging at work

3x greater odds employees rate their workplace community as strong

2x greater odds employees feel a sense of fulfillment in their work

2x greater odds employees have above-average engagement

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Employees also picture themselves staying 2.5 years longer at their organization when their leader is empathetic. Leaders are in a good position to build practical empathy if they've worked in an employee's role before or if they currently work closely with their people. But even if leaders don't have the same experience or situation as an employee, the acts of listening, asking for feedback, and understanding can still build strong, meaningful connections.

The most critical foundation for practical empathy is understanding, regardless of how new or seasoned the leader. In an experiment, detailed on page 50, we determine that leaders hired externally can be perceived as more empathetic than those promoted internally if they are transparent about their lack of shared experience and actively seek to understand the needs of their employees.

That said, boundaries are key to sustaining practical empathy. Without boundaries in place, empathy can be emotionally draining for leaders and interfere with work because leaders (in most organizations) are not behavioral health professionals. To prevent overtaxing them, organizations must help leaders balance their own mental health and wellbeing with the needs of their employees.³ It's entirely possible for leaders to be supportive and still maintain appropriate boundaries if the organization provides additional outside resources and support systems, such as mental health services, family and career counseling, and childcare. Furthermore, these systems and resources do not negatively impact employees' perceptions of leaders. Our research shows employees are still 107% more likely to trust their leader and 127% more likely to feel a strong connection with their leader when boundaries exist.

One last note about the role of empathy in leadership: Modern leaders (those who mentor, advocate, connect, and inspire their people rather than control and gatekeep) embrace empathy and, not surprisingly, contribute to better overall cultural and business outcomes.⁴ When employees perceive their leader as empathetic, the odds of also being perceived as a modern leader increase 3x. This leads to an 8.5x higher likelihood of employees being highly engaged.

“There’s something to be said about a leader that gets right in the trenches with you, especially when you’re facing a challenge.”

—FOCUS GROUP PARTICIPANT, SALES ASSOCIATE

EXPERIMENT

Levels of Empathetic Leadership

To examine the causal impact of empathetic practices, we designed an experiment with five scenarios representing different levels of empathetic leadership in a situation. We divided participants into two groups. One had a leader promoted from within the organization; the other had a leader hired outside the company who had no direct experience in their role. Survey respondents were randomly assigned to each scenario.

Scenario

You are part of a team responsible for the assembly of your company's signature product. Your team has been tasked with completing a large order that must ship to a client in two weeks. Three days into the project, you arrive at work to find that the number of products needing to be assembled for the order has doubled but the deadline remains the same.

Treatments

Vignette 1 (control)	Leader informs team without showing empathy
Vignette 2	Leader listens
Vignette 3	Leader listens and provides context
Vignette 4	Leader listens and provides context and active support
Vignette 5	Leader listens, provides context and active support, and gives recognition

Results

The experiment yielded three important findings:

1. The strongest outcomes corresponded to the highest levels of empathy, regardless of whether the leader was hired from outside the organization or promoted internally.
2. When they practiced empathy, the leader hired externally scored higher on some items than the internally promoted leader, even without previous direct experience in the employee's role.
3. Leaders can build trust and facilitate positive employee experiences through empathetic practices of understanding team needs, providing context and active support, and publicly recognizing the efforts of their teams.

Specific findings are detailed in the following tables:

Effect of treatment on trust, perceptions of empathy, connection, and retention:

TABLE 1: LEADER HIRED FROM OUTSIDE THE ORGANIZATION

OUTCOME	KEY	CONTROL (NO EMPATHY)
I trust my direct leader	Rel. Odds	—
	Std. Error	—
My direct leader is empathetic	Rel. Odds	—
	Std. Error	—
Empathy is a core part of my workplace culture	Rel. Odds	—
	Std. Error	—
I have a strong sense of connection to my organization	Rel. Odds	—
	Std. Error	—
I have a strong desire to be with my organization one year from now	Rel. Odds	—
	Std. Error	—

TABLE 2: LEADER PROMOTED FROM WITHIN THE ORGANIZATION

OUTCOME	KEY	CONTROL (NO EMPATHY)
I trust my direct leader	Rel. Odds	—
	Std. Error	—
My direct leader is empathetic	Rel. Odds	—
	Std. Error	—
Empathy is a core part of my workplace culture	Rel. Odds	—
	Std. Error	—
I have a strong sense of connection to my organization	Rel. Odds	—
	Std. Error	—
I have a strong desire to be with my organization one year from now	Rel. Odds	—
	Std. Error	—

Table entries include the odds ratios as referenced against the control group and standard errors in parentheses. All reported estimates control for gender, educational attainment, generation, work location, minority status, full-time/part-time status, leader status, and country. *** $p < 0.001$, ** $p < 0.01$, * $p < 0.05$.

LISTENS	LISTENS + CONTEXT	LISTENS + CONTEXT + SUPPORT	LISTENS + CONTEXT + SUPPORT + RECOGNITION
+35%*** (0.11)	+82%*** (0.14)	+124%*** (0.18)	+189%*** (0.24)
+25%** (0.10)	+112%*** (0.17)	+162%*** (0.21)	+184%*** (0.23)
+31%** (0.10)	+60%*** (0.13)	+90%*** (0.15)	+150%*** (0.20)
+22%* (0.10)	+52%*** (0.12)	+46%*** (0.12)	+116%*** (0.17)
+20%* (0.09)	+47%*** (0.12)	+52%*** (0.12)	+109%*** (0.17)
LISTENS	LISTENS + CONTEXT	LISTENS + CONTEXT + SUPPORT	LISTENS + CONTEXT + SUPPORT + RECOGNITION
+37%*** (0.11)	+107%*** (0.17)	+147%*** (0.21)	+164%*** (0.22)
+32%*** (0.11)	+124%*** (0.18)	+144%*** (0.20)	+212%*** (0.26)
+25%** (0.10)	+66%*** (0.13)	+92%*** (0.16)	+96%*** (0.16)
+26%** (0.10)	+47%*** (0.12)	+60%*** (0.13)	+78%*** (0.15)
+26%** (0.10)	+62%*** (0.13)	+70%*** (0.14)	+88%*** (0.15)

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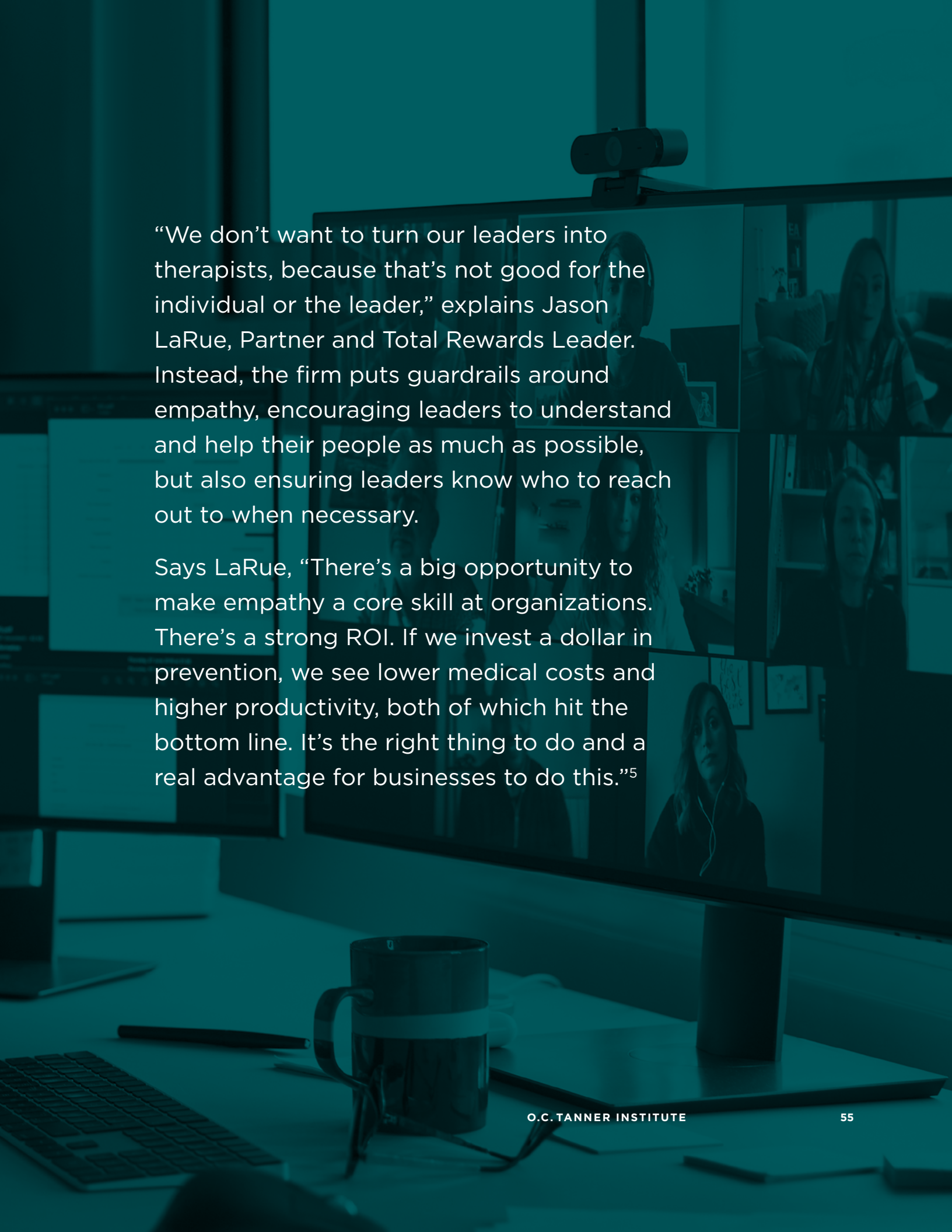


CASE STUDY—A CAREFUL ACCOUNTING OF EMPATHETIC PRACTICES

Professional services firm, KPMG, uses practical empathy to help its people feel and do their best at work by finding achievement, mastery, purpose, and fulfillment.

Specifically, the firm regularly solicits feedback from partners and employees on how it can help improve their wellbeing and provides extensive resources to support employee mental health—including digital and in-person therapy, caregiver programs, support for major life events, and webcasts to help normalize conversations about mental wellbeing.

In addition, KPMG has removed tasks that aren't related to leaders' core jobs so they can focus on being better modern leaders as well as attend to their own needs.



“We don’t want to turn our leaders into therapists, because that’s not good for the individual or the leader,” explains Jason LaRue, Partner and Total Rewards Leader. Instead, the firm puts guardrails around empathy, encouraging leaders to understand and help their people as much as possible, but also ensuring leaders know who to reach out to when necessary.

Says LaRue, “There’s a big opportunity to make empathy a core skill at organizations. There’s a strong ROI. If we invest a dollar in prevention, we see lower medical costs and higher productivity, both of which hit the bottom line. It’s the right thing to do and a real advantage for businesses to do this.”⁵

RECOMMENDATIONS

To build a people-centered culture, organizations must cultivate practical empathy, work to understand their people, and enable leaders to take action.

1 Champion practical empathy

In many organizations, levels of empathy differ by leader and personality. But practical empathy is a practice, not a trait, that organizations can foster and promote.

Establish policies and programs around empathy that allow leaders to act, but also set boundaries. Equip leaders with tools to help them have conversations and understand their employees' perspectives, opinions, and struggles. (One-to-one meetings are ideal to facilitate these conversations.) Then clearly define where the leader's responsibility ends and other resources for employees begin.

Supporting leaders' wellbeing and mental health by giving them the authority and tools to act, as well as other resources to refer their people, will help prevent burnout. And by creating a united front on empathy, employees will feel understood, cared for, and valued.

When employees perceive both their leader and the overall organization is empathetic, they:

- **Feel more seen and valued (+64%)**
- **Feel more fulfilled at work (+40%)**
- **Are more satisfied with workplace culture (+40%)**
- **Want to stay longer (+3 years)**

2 **Seek employee feedback to understand their experiences and challenges**

A workplace that embraces a culture of practical empathy begins with understanding employee experiences, perspectives, and challenges.

Invite feedback from employees in surveys, focus groups, town halls, and one-to-one meetings. Get to know their opinions, hopes, and struggles—regularly. Even questions like “how are things going outside of work?” are worth asking.

When employees feel their organization has a culture of understanding, the odds of positive outcomes greatly improve, including:

- **Above-average engagement (20x)**
- **Strong connection to the organization (17x)**
- **Accomplishing great work (14x)**
- **Rating their workplace community as strong (18x)**

3 Lead with action

Leaders at every level should take supportive action to help meet employees' psychological needs for autonomy, mastery, and connection at work. This means regularly, proactively meeting with their people (not just when employees come to them with a problem), actively listening, and providing support such as removing roadblocks or expressing genuine appreciation. Action also entails guiding employees to company or outside resources when needed. And the act of recognizing employees for great work can significantly increase care and empathy on teams.⁶

When leaders' empathy contains meaningful action and support, employees are:

7x more likely to have above-average engagement

6x more likely to feel a sense of belonging

5x more likely to feel fulfilled at work

7x more likely to be a Promoter

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CASE STUDY—ELEVATING PRACTICAL EMPATHY

Southwest Airlines' stock ticker is LUV for a reason, and the company's culture is well known for embracing empathy. "We have to know our internal and external customers, be empathetic to their needs and expectations, and focus our efforts on them," explains James Ashworth, VP, Customer Support & Services. When the company recently heard employees say their tools were getting in the way of doing their best work, it jumped to better understand the problem through focus groups and quickly deployed new solutions.

To help employees know their voices are heard and valued, leaders focus on learning rather than blaming or disciplining, and they encourage people to speak up and solve issues as they arise.

Southwest's people-centered, empathetic culture has led to 44 consecutive years of profitability, no layoffs or furloughs in its company history, and 85% of employees who say they're proud to work at the company.^{7, 8}

PRACTICAL EMPATHY—KEY TAKEAWAYS

Effective empathy is a practice of care.

Practical empathy is grounded in understanding and supported by action.

Leaders must seek to learn the experiences and needs of their people so they can respond with meaningful action and support.

Without training or boundaries, leaders risk experiencing empathy fatigue and burnout.

Practical Empathy Sources

1. "Making Empathy Central to Your Company Culture," Jamil Zaki, Harvard Business Review, May 30, 2019.
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4. "Leadership," 2021 Global Culture Report, O.C. Tanner Institute.
5. Interview with Jason LaRue, Partner and Total Rewards Leader, KPMG, 2023.
6. "Practice Empathy as a Team," Christine Porath and Adrienne Boissy, Harvard Business Review, February 10, 2023.
7. "Southwest on the Importance of Employee Experience," Tiffani Bova, Forbes, November 17, 2020.
8. "Southwest Airlines Culture Design Puts Employees First," Gustavo Razzetti, Fearless Culture, January 12, 2020.

The 80% Experience



A large majority of the world's workers feel overlooked and underappreciated, despite being essential to success.



50%

OF FRONTLINE EMPLOYEES
FEEL EXPENDABLE AT WORK

Many HR leaders are conscious of the growing need to connect with and recognize their offline, frontline, or other critical employees, who—due to the nature of their work—can feel removed from corporate culture. But our research this year shows the separation is broader and the problem is deeper than most of us thought. Four-fifths of employees worldwide lack opportunities, technology, and autonomy in their work, and a very large number of them feel ignored and unvalued despite the imperative jobs they do. This means organizations must now take big steps to support their needs, understand their viewpoints, and reward their contributions—or face some powerful but predictable consequences.

INTRODUCTION

The Covid-19 pandemic changed how we see our work and—for a moment—how we see workers.

As countless offices closed their doors and sent their people to work from home, international attention focused on millions of employees still out on the frontlines. Nurses, EMTs, grocery clerks, warehouse and factory workers—a spectrum of people with traditionally lower-profile jobs—were suddenly celebrated as essential heroes.

That moment, however, was short-lived, and now that organizations are moving forward with new work models and strategies for innovation, these employees have again receded from view. As one focus group participant, a city bus driver, says, “we’re expendable again.”

It may come as a surprise that 80% of the world’s workforce does not work at a desk.¹ If so, consider what they do instead. They construct our neighborhoods and cities; grow, ship, and cook our food; serve us in restaurants, hotels, and stores; assemble and deliver every product we buy; and care for us any time our health requires. From pickers to plumbers to pilots, these people are critical to every economy on earth and touch nearly every part of our everyday lives. Yet when out of sight, they’re often out of mind.

To be clear, the diversity of the 80% make them challenging to categorize. It may be tempting to define them with terms like “deskless,” “offline,” or “essential,” but none of these common labels is adequate. In a divided organizational structure, an 80% employee is any employee who has less opportunity and voice than their more integrated and connected corporate peers. As a result, they feel less valued and more detached from their workplace cultures. And they’re correct in their perceptions of inequality: BCG finds only 8% of executives say increasing support for these workers is a priority for CEOs.² On average, they also receive less than 1% of companies’ technology budgets.³

So, what are the outcomes? Over the past two years, organizations across all industries have found it increasingly difficult to retain the 80%. Forbes reports turnover rates of up to 500% per year.⁴ Equally concerning, according to our data, many of those who do stay due to financial constraints or a lack of training or opportunity are demoralized, resigned, and unfulfilled in their jobs.

Thankfully, there is hope. While our research uncovers inequity in employee experience, it also shows that when the 80% feel seen, valued, and appreciated, there's a powerful positive impact on their sense of belonging, fulfillment, and connection to the organization. Meaningful recognition, modern leaders, and inclusive cultures can help the 80% feel as essential as they are and improve the chances that every employee can thrive at work.

“They [the 80%] are the livelihood and heart of businesses, and without them, everything will come to a standstill.”

—MATT FAIRHURST, CEO, SKEDULO

DISPARATE (AND DESPERATE) WORKPLACE EXPERIENCES

In our research, we looked at the 80% in two ways: Employees who spend less than 40% of the workday sitting at a desk to do their work, and employees who lack regular access to technology and tools like email, messaging apps, and online HR systems in their normal job duties. These people do not have the same opportunities, autonomy, influence, or voice as others in the workplace. And this fact explains how perceptions held by the 80% are so different from those of more corporate employees when it comes to their employee experience, as called out below.

EMPLOYEE SENTIMENT	80% EMPLOYEES	CORPORATE EMPLOYEES
My organization cares about its employees	45%	68%
My direct leader is empathetic	47%	69%
Empathy is a core part of my workplace culture	42%	65%
I trust my direct leader	50%	73%
I have a strong sense of connection to my direct leader	40%	66%
I have a strong sense of connection to my organization	43%	67%
I feel seen and valued in my workplace	46%	69%
Job satisfaction	37%	51%
Positive employee experience	36%	52%

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Some other startling findings about the 80% experience gap:

- **Workers in the 80% category are nearly 2x as likely as their corporate peers to feel they had no options when they accepted their jobs**
- **Only 35% feel they have freedom to take time away from work for personal errands (compared to 58% of corporate workers)**
- **Only 45% say their organization supports them in learning new skills at work (compared to 69% of corporate workers)**

But there's a deeper defining difference in the workplace experiences of the 80% best described in terms of access and enablement.

Access refers to the availability of technology that connects employees to the organization. Enablement is the degree to which employees have autonomy, influence, and voice at work.

Only 10% of these employees feel they have high access to the tools, technology, and opportunities necessary to connect and advance in their workplace and the autonomy and voice to shape their workplace experience. Even more alarming, only 17% of employees with low access and enablement are engaged.

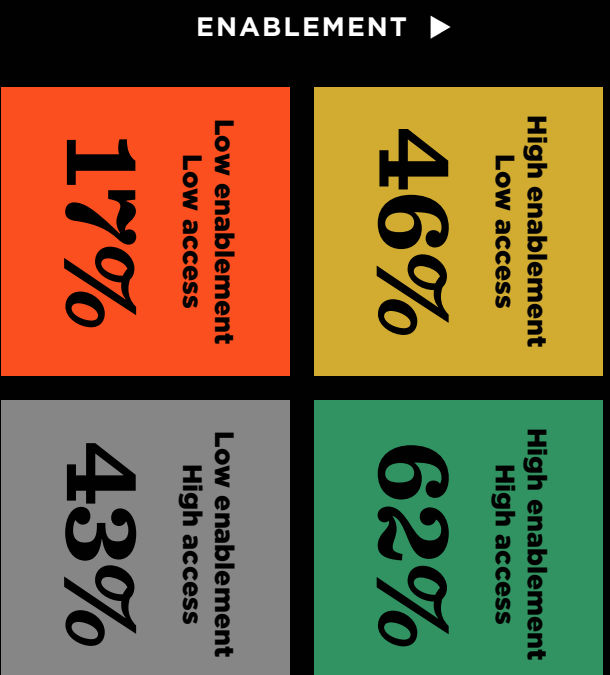
“We’re frontline, so we’re the lowest on the totem pole. We’re not selling, we’re not pushing product, so we’re not rewarded for what we do. People on the corporate side are getting branded clothing, four-day trips, etc. It’s just totally different. They get respect.”

—FOCUS GROUP PARTICIPANT, MANUFACTURING WORKER

80% employees' perceptions of their access and enablement at work



Employee engagement based on access and enablement



MUCH OF THE 80% LIVE IN SURVIVAL MODE

While there are some healthy salaries among those in the 80%, nearly half of these workers report living paycheck to paycheck. About a third work more than one job to meet financial obligations, and even more (40%) have borrowed money from family or friends in the past year to pay bills.

This financial instability affects their workplace experiences, especially if organizations do little to help employees manage their lives outside of work. More than a third say their job doesn't allow them to take time off for personal emergencies, so they frequently make difficult choices between work and personal life (39%) and have little time to spend with family and friends (41%).

Living with such challenges takes a toll on the 80%, as several measures attest:

45% decrease in the odds of engagement

36% decrease in the odds of feeling a strong sense of fulfillment in their work

36% decrease in the odds of feeling they belong in their organization

83% higher likelihood of burnout

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“It’s like you got to work a lot to really be able to survive. I tell a lot of people that I meet here you have to either have a good job or a side hustle or something to even be able to maintain.... You got to have at least a job or two.”

—FOCUS GROUP PARTICIPANT, DISTRIBUTION CENTER WORKER

THE 80% FEEL INVISIBLE AND INFERIOR

Statistically, this group feels unseen by their organizations. A full half say their organization treats them as expendable; only 30% feel seen and valued. Furthermore, they doubt leaders understand the work they do or how they contribute to the organization's success. Of course, it doesn't help that less than half of workers in the 80% report receiving any recognition from leaders, corporate peers, or their organization in the past month. And of those who did receive recognition, most say it came across as inauthentic and insincere. Barely a quarter (26%) feel their recognition is meaningful, and less than half (46%) say they have leaders who understand how they want to be recognized.

In addition, when workers struggle to make ends meet, it complicates aspects of the employee experience where comparisons are conspicuous. For example, random company-provided lunches can feel insulting to the 80%—especially when they see their peers in the office receive monetary awards for contributions that rely on their work.

Perhaps worse than feeling unseen, however, are the biases workers in the 80% often perceive from their corporate peers. Nearly two of every five say they are viewed as inferior by employees in the office. Almost as many (35%) report senior leaders minimize or dismiss their ideas, and 39% say their work is not valued as highly as office work.

These numbers are all the more striking given that they apply to the essential workers who keep production lines moving, customers purchasing, and the business functioning. The good news is that personal, genuine appreciation can be a powerful antidote. When employees in the 80% feel seen and valued by their organizations, outcomes improve significantly, as shown in the following table.

**Improved odds when an
80% worker feels seen and valued
by their organization:**

Engagement +674%

Great work +592%

**Strong sense of
belonging +559%**

**Strong sense
of workplace
community +465%**

**Strong sense of
fulfillment +448%**

**Strong connection
to organization +518%**

“The people in the warehouse get overlooked. They’re expected to get a product done, a product out the door. Corporate’s getting the applause, the ‘good job,’ whereas us warehouse people get mandatory overtime. You’re working every day, no days off, and everybody looks miserable. When they quit, they’re walking out the door with not even a handshake or a thank-you from management. Management just sits back and goes, ‘Alright, there goes another one.’”

—FOCUS GROUP PARTICIPANT, WAREHOUSE WORKER

RECOMMENDATIONS

To help engage, connect, and meet the needs of the 80%, organizations must improve access and enablement, promote modern leadership, and provide meaningful recognition.

1 Leaders need to know their people better

Understanding what matters to employees at work and what causes stress in their lives is imperative. Train and enable the leaders of every team in the organization to take the time, listen to opinions and feedback, and be more conscious of needs and challenges.

Prescribe regular one-to-one meetings as points of connection. This enables leaders to better address—individually and collectively—issues the 80% face at work and discuss what technology, tools, and resources they require. It also provides career development and appreciation opportunities, helping employees feel seen and valued. When leaders take time to understand the role, career aspirations, and perspectives of a worker in the 80%, the odds of several positive outcomes improve dramatically:

- **Belonging (+1,069%)**
- **Community at work (+834%)**
- **Fulfillment at work (+603%)**
- **Strong connection to leader (+1,086%)**
- **Above-average engagement (+1,009%)**
- **Accomplishing great work (+933%)**

Communication and recognition from leaders can also help eliminate the bias corporate employees may have towards the 80%. At a minimum, the likelihood of perceived bias decreases among workers in the 80% when they have the support they need from leaders (-35%), feel seen and valued (-41%), and feel heard (-34%).

2 Recognize the 80% often and in meaningful ways

Many technology-focused employee recognition tools and programs are not accessible to workers in the 80%. This means leaders must be familiar with alternatives and use them appropriately to facilitate timely, meaningful recognition.

Organizations can't assume every employee has access to the internet or knows how to use online tools. Instead, they should educate leaders about recognizing their 80% teams—what messages to communicate, how to create meaningful recognition experiences, and how to help their teams feel connected to the rest of the organization. Leaders should present recognition in front of others and showcase it throughout the organization so all employees can see contributions celebrated equitably for all. It's also best to provide a wide variety of awards so workers in the 80% can choose items that benefit them most.

The simple act of seeing the 80% and showing appreciation for their contributions and great work can make a big difference. The following table illustrates how four core principles of recognition improve the odds of eight positive outcomes.

OUTCOME	RECEIVE FREQUENT RECOGNITION (WITHIN 30 DAYS)	REGULARLY SEE OTHERS RECEIVE RECOGNITION	LEADER UNDERSTANDS HOW THEY WANT TO BE RECOGNIZED	RECOGNITION IS PART OF EVERYDAY CULTURE
Sense of belonging	+134%	+270%	+338%	+355%
Sense of community	+137%	+202%	+273%	+290%
Sense of fulfillment	+162%	+208%	+258%	+205%
Connection to leader	+154%	+211%	+336%	+235%
Connection to organization	+191%	+203%	+265%	+255%
Above-average engagement	+131%	+323%	+362%	+403%
Great work	+118%	+378%	+461%	+440%
Desire to stay one more year	+149%	+247%	+350%	+349%

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“It’s about the human touch. Like, I see you, you’re here, and I see you. That’s all we need. But if we just become numbers and you don’t see us, then we can’t be productive for you.”

—FOCUS GROUP PARTICIPANT, FLIGHT ATTENDANT



CASE STUDY—BUILDING A STRONGER COMPANY BY APPRECIATING EVERYONE

Following a strong financial year, BlueScope Steel in Australia decided to appreciate its employees with more than typical salary reviews and bonuses. The company wanted to recognize and unify its people, so it provided leaders with messages and guidelines and gave every employee the opportunity to choose five gift cards from leading retailers to help ensure they could find something they or their families wanted or needed.

Accessibility and inclusivity were critical. Everyone—from workers in the manufacturing facilities to cleaners, labor-hire, and contractors—received the same options via physical thank-you and gift cards, in addition to an online portal. Says Nikky Ray, Head of Rewards, BlueScope, “I’ve heard some lovely stories from our people. Some of our security guards did a cartwheel flip to express how happy they were to feel included.”⁵

3 Improve access to technology, resources, autonomy, and voice

Despite diverse demographics, the 80% report needing greater access to technology and opportunity, as well as more autonomy in their work.

Ask employees about the specific obstacles to connection they face at work and help them create strategies to overcome these challenges. Ensure tools for HR processes, recognition, and connection are available to workers who are not at a computer or desk. And discuss how to provide them with the autonomy to improve their work and the flexibility to handle basic needs like doctor appointments, home repairs, or children’s school events. (See the Equitable Flexibility chapter for more.) Finally, seek their feedback regularly and listen to how you can improve their everyday employee experience.

When employees in the 80% have high access and enablement at work, positive outcomes soar:

OUTCOME	IMPROVED ODDS
+599%	Sense of belonging
+568%	Engagement
+749%	Sense of fulfillment
+450%	Strong connection to leader
+372%	Strong connection to organization
+421%	Strong sense of community
+599%	Strong desire to stay with organization one more year
+208%	Plan to stay with organization at least three more years

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“More of our frontline workforce are participating [in these programs] this year. We think that’s a really good sign of increasing trust and acknowledgment of our commitment to take action on the feedback we receive.”

**—DANI WILSON, GLOBAL DIRECTOR PERFORMANCE & REWARD,
TREASURY WINE ESTATES**




CASE STUDY—SEEING AND SERVING THE 80% WELL

How do top companies provide greater access and enablement for all their employees? Here are a few highlights:

Ashley Furniture. In addition to internal emails, the company puts up signage and even painted murals in every store as part of a multi-channel communication strategy that ensures everyone receives the same messages and helps hourly workers feel more included.⁶

Bank of America. An internal job board enables tellers to pick up shifts in the loan department—an area that needs more employees and their skill sets—and provides more flexible scheduling.⁷

Starbucks. To ease stress and balance workloads, the global coffeehouse dedicates additional baristas to mobile orders at high-volume locations and is testing mobile order-only stores where it can transfer staff as needed. Both tactics improve the employee experience.⁸

A man with a beard and short hair is smiling and looking down. He is wearing a dark t-shirt. In the foreground, there are several bunches of dark grapes hanging from a vine. The background is a blurred vineyard with other workers visible. The entire image has a warm, golden-yellow color cast.

Treasury Wine Estates. To ensure all employees feel connected and celebrated for their contributions, TWE makes its recognition program available and accessible to workers in the vineyards as well as other places outside the office. A mobile app, automated workflow, and platform in multiple languages guarantee every employee can give and receive recognition.⁹

O.C. Tanner. The company wanted all employees to feel equally appreciated for their contributions and impact on business success, so it moved everyone to the same bonus structure and variable compensation plan. Now, both corporate and manufacturing workers use the same framework to set outcome-based goals and receive performance-based bonuses.

THE 80% EXPERIENCE—KEY TAKEAWAYS

Employees in the 80% feel unseen and unappreciated at work.

The 80% have less autonomy, flexibility, opportunity, and voice at work compared to their corporate peers.

More influence within the organization and better access to technology can help the 80% feel seen and valued.

Workers in the 80% thrive when they have leaders who understand them and recognize them in meaningful ways.

The 80% Experience Sources

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8. "Starbucks Mobile Ordering Is Working Too Well," Tom Ryan, Forbes, April 12, 2017.
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Equitable Flexibility



The employee experience has never been more flexible. The next step is making it fair.



8X

**HIGHER ODDS EMPLOYEES
WANT TO STAY ANOTHER YEAR WHEN
FLEXIBILITY IS EQUITABLE**

As we saw in last year's report, employees crave flexible work environments that allow them to better balance their lives and greatly improve their sense of fulfillment. This year, a majority say all workers deserve the same level of freedom. Of course, one size of autonomy does not fit all roles (factory workers can't do much work outside the factory), but regardless of discrete limitations, more flexibility is possible. And making it more equitable empowers leaders and employees and fosters satisfaction and engagement. To create a work culture in which people thrive, equitable flexibility belongs at the top of the priority list where it can strengthen connection and meet a range of diverse needs.

INTRODUCTION

The pandemic forced organizations to explore workplace flexibility in new ways and, in most cases, we saw it benefit both the employee and the business. Yet despite positive outcomes, many employers are now returning to rigid routines. Old rules die hard, and some managers still worry people will take advantage of the freedom they receive, spend excessive time on personal matters, and soon expect more. For these supervisors, providing flexibility means giving up control, abandoning traditional leadership practices, and surrendering long-held biases. It can, understandably, be a fearful proposition when faced with constant pressure to perform and meet deadlines. However, such fear is eclipsed by the fact that workers who are necessary—and committed—to business success now expect flexibility in their jobs.

In case there was any question, most employees are not looking for complete autonomy. On the contrary, their primary requests are accommodations to resolve common conflicts, such as seeing a doctor or dentist during the workday, working from home when a child is sick, or performing a task in a new way. This said, flexibility encompasses more than when or where someone works. It includes having a voice and a measure of influence over what work they do and how they do it.¹

When organizations see employees as people—and not just a means of production—flexibility appears reasonable, even smart.

And what do organizations get in return? In short, loyalty, innovation, and access to more talent. Flexibility helps employees feel seen and valued, and it builds excellent workplace cultures that lead to better outcomes. When people are satisfied with the level of flexibility at work, our research finds 568% improved odds they'll promote their organization to others as a great place to work and 384% improved odds they'll want to stay with their organization another year.

This chapter explores how employers can provide flexibility in an equitable way that acknowledges limitations and balances them by focusing on empathy and connection. Because flexibility must be available across the organization to ensure all employees can thrive—in and out of the workplace.

“Every job deserves some flexibility. It cannot be viewed as a scarce or privileged resource. True flexibility aligns employers and employees to achieve mutual gain in meeting both performance and work-life needs.”

**—ELLEN ERNST KOSSEK, PATRICIA GETTINGS, KAUMUDI MISRA,
HARVARD BUSINESS REVIEW**

**FOR EMPLOYEES TO FEEL SEEN, VALUED, AND TRUSTED,
THEY MUST HAVE SOME LEVEL OF FLEXIBILITY AT WORK**

More than just life balance, workplace flexibility is about having a sense of governance over our work and our time. Employees want some choice in how they accomplish their work, some autonomy over their time at work, and some time for interests and skills outside of work. Traditionally, flexibility has been a perk that employees earned as a reward for doing great work or only given to some types of employees but not others. In today's workplace, flexibility must be available—and equitable—for everyone.

So, what is equitable flexibility? Our research identifies five contributing factors.



Figure 4. EQUITABLE FLEXIBILITY INDEX
The five components of equitable flexibility from the employee's perspective.

Leadership support. Leaders support employees and show empathy and understanding for their needs.

Organizational support. Organizations empower leaders to give employees flexibility and provide systemic policies and tools.

Employee empowerment. Employees feel empowered to make decisions about their jobs.

Work choice. Employees have some discretion about what work they do and how they do it.

Time management. Employees have the autonomy to manage their workdays.

While people universally want flexibility for themselves, in a remarkable show of concern for their colleagues, 68% feel it should also be available to every employee regardless of role. However, only about half (57%) say their culture supports flexibility in every job.

Predictably, workers in the aforementioned 80% (those with less access to technology and less say in how and where their work gets done) experience less flexibility due to the nature of their jobs. It's not possible to work on a manufacturing line, drive a truck, attend to a patient, or stock retail shelves from home. However, acknowledging that not every position can enjoy the same type of flexibility, organizations can still find ways to integrate more flexibility into every role. This may require some creativity, but more importantly, it takes an understanding, willingness, and commitment from the organization and leaders. Because it can lead to new ideas, innovations, and process improvements, finding flexibility for every employee can benefit both their experience and business outcomes.

When we asked employees what the most important aspects of job flexibility are, the 80% answered differently from their corporate peers, prioritizing elements involving time versus autonomy and location:

80% EMPLOYEES

CORPORATE EMPLOYEES

1. Time for personal development

1. Autonomy in how to accomplish work

2. Time away for personal matters

2. Work where I choose

3. Flexibility in start and end times

3. Time away for personal matters

4. Autonomy in how to accomplish work

4. Flexibility in start and end times

Employees with little or no flexibility in their roles feel their opportunities for personal and professional growth are limited. They also feel less necessary and undervalued and are more prone to burnout and exhaustion. Odds of burnout increase 5x when employees are dissatisfied with the level of flexibility at work.

Employees understand not all roles can accommodate the same flexibility, but they also know when flexibility is possible and not given. Workplace flexibility that appears inequitable can be damaging to key cultural outcomes and lead to higher rates of burnout for the entire workforce. As outlined in the next table, the odds of key outcomes improve when employees perceive flexibility is equitable.

OUTCOME	EQUITABLE FLEXIBILITY	INEQUITABLE FLEXIBILITY
Satisfaction with job	+385%	-48%
Satisfaction with employee experience	+466%	-63%
Being a Promoter	+413%	-64%
Desire to stay one more year	+679%	-79%
Engagement	+661%	-82%
Thriving culture	+689%	-87%
Burnout	-71%	+387%

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“When I think flexibility, I think not always having to be there right between eight and five. Yes, I’m definitely going to get my work done, but just trust me to do it in the parameters that I need to, because I do have a life also.”

—FOCUS GROUP PARTICIPANT, OFFICE ASSISTANT

WORKPLACE FLEXIBILITY SENDS EMPLOYEES A POSITIVE MESSAGE

Giving employees flexibility demonstrates that the organization values its people and has confidence they'll manage themselves to get work done. Employees with high flexibility in their jobs are nearly twice as likely to feel their leader trusts them to get the job done (85% compared to 43% of employees with low flexibility).

Flexibility at work is often seen as a form of recognition, communicating the organization appreciates employees enough to give them a voice and some control over how and when they work:

67% of employees feel appreciated when their leader offers them a choice in the work they do

66% feel their leader appreciates them when they can accomplish their tasks in the way they want

59% say their leader shows appreciation for their work by allowing them additional flexibility in their job

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Giving employees autonomy in how they accomplish their work also improves odds that employees will feel their leaders trust them (+294%).

Likewise, employees with a high sense of flexibility are more likely to:

- **Feel seen and valued (4x)**
- **Feel free to express their ideas and opinions (3.5x)**
- **Feel a high sense of appreciation (12x)**

By contrast, when flexibility is low, it can take a large toll on employee perceptions, as the following data illustrate:

- **Likelihood employees feel taken for granted by their leader increases 143%**
- **Likelihood employees feel valued decreases 75%**
- **Likelihood employees feel free to express opinions decreases 72%**

“Not having flexibility was very frustrating for us. The lack of trust in taking breaks and things like that felt like you weren’t being trusted.”

—FOCUS GROUP PARTICIPANT, LEASING AGENT

WORKPLACE FLEXIBILITY CAN IMPROVE BUSINESS OUTCOMES

The impact of flexibility is just as positive on the organization. According to our research, when employees were highly satisfied with their work flexibility, odds of other important outcomes, as shown in the table, improved.

OUTCOME	INCREASE IN ODDS
High satisfaction with employee experience	+894%
High satisfaction with job	+674%
High engagement	+482%
High sense of fulfillment	+479%
Being a Promoter	+568%
Thriving culture	+480%
Desire to stay one more year	+384%

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If organizations want to retain their people, keep them engaged and thriving, and attract new talent, then providing workplace flexibility for all is vital, especially in roles where turnover is high and autonomy can be low.

“What workers need is for their employers to figure out the ‘how’ of flexibility. It will look different within every company, every department, and even at the team level. But every leader owes it to the people they get to work with to find out what kind of flexibility is ideal for their team and how much of that flexibility is possible within the bounds of ensuring the team performs.”

**—STEPHANIE NADI OLSON, FOUNDER AND EXECUTIVE CHAIR,
WE ARE ROSIE**

RECOMMENDATIONS

To successfully provide flexibility, organizations must ensure it's equitable for everyone, supported by leaders, and addresses both when and how employees work.

1 Explore flexibility in all job roles

Flexibility does not need to be the same for every employee for it to be equitable, but every employee needs some flexibility in what they work on, how they accomplish their work, and how they manage their workday. Success will depend on leaders, and leaders must be aware of corporate policies and empowered to tailor flexibility in ways that best fit their team members.

When flexibility extends to all employees, the potential for a positive employee experience does, too. But, as shown in the following table, if flexibility is not perceived as equitable or supported by the organization, the employee experience suffers.

EMPLOYEE PERCEPTION	ODDS OF SATISFACTION WITH EMPLOYEE EXPERIENCE
Flexibility is not equitable for all employees	-82%
Employees lack flexibility to learn new skills	-50%
Organization does not encourage flexibility	-38%

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2 Know employees' unique needs

As previously mentioned, leader support is crucial for equitable flexibility and improves the odds that employees will feel highly satisfied with flexibility in their job by 359%.

Regular one-to-one meetings can be a great way for leaders to better understand their people and discuss ways to increase flexibility. Practices of modern leadership (such as empathy, advocacy, trusting employees, and providing autonomy and connection) help integrate flexibility into the employee experience. Employees who work for modern leaders see a nearly 4x improvement in the odds they will have a high degree of flexibility in their jobs, and leaders who make flexibility a priority have employees who are more satisfied at work.

The next table unpacks how the odds of job satisfaction increase when employees perceive specific types of flexibility and support from their leader.

EMPLOYEE PERCEPTION	IMPROVED ODDS OF JOB SATISFACTION
My leader supports me when I need to be flexible in my work	+3.6x
My leader ensures everyone has some flexibility, regardless of their role	+3.3x
My leader understands what I need to support priorities in my personal life	+3.2x
My leader trusts me to accomplish my work in a way that I feel is best	+3.0x

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3 Give employees flexibility with their time at work

Find a way to allow all employees to take time away from work when needed. This can include empowering leaders to adjust work schedules to fit changing life circumstances, providing time for personal appointments and events, setting aside hours for skill building and training, or giving employees opportunities to work from home when possible.

Employees must also feel their leaders support and respect time away from work so they can disconnect in meaningful, restorative ways. This means no pressure to take calls or answer email while they're out or make up the work with overtime when they get back. This type of flexibility demonstrates trust and helps employees feel their leader cares about them, not just their output.

When people can choose how they spend their time at work or take time away to meet personal needs, the odds of having trust in their leader increase 5x. And when leaders let employees decide when to begin and end the workday, the odds improve nearly 6x.

Furthermore, workers who feel strong support with time flexibility want to stay with their organization longer:

EMPLOYEE PERCEPTION	IMPROVED ODDS OF DESIRE TO STAY WITH THE ORGANIZATION
My leader is supportive in allowing me flexibility in my work	+444%
My leader is supportive when employees need to step away from work to take care of personal issues	+313%
The culture of my organization is supportive of flexibility for all employees	+247%
My team supports each other when we need flexibility with our time	+278%

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CASE STUDY—A STRONG PLAN FOR FLEXIBLE SCHEDULING

Building materials manufacturer, USG, regularly evaluates its shift rotation schedules and their effect on employees' health and sleep. The company also creates schedules that work best for each location, and its Summer Hours Program lets people extend their daily time to take Friday afternoons off.

Workers decide their own breaks, and rather than disciplining them for an unexcused absence, leaders take a collaborative approach: They work with employees to find ways to support their needs. Managers also assign overtime to volunteers, rather than make it mandatory for everyone.^{2,3}

By empowering employees and taking a people-centered approach to workplace flexibility, USG has built a culture where employees can balance their work and personal lives well.



CASE STUDY—THE LUXURY OF INCREASED FLEXIBILITY

Neiman Marcus Group, the luxury retailer, integrates workplace flexibility into their culture through their philosophy, NMG Way of Working. With robust technology in place, associates can work and serve customers from home, in stores, and at distribution centers. The company allows its associates to exercise agency over their time and choose their shifts and locations.

Eric Severson, EVP, Chief People and Belonging Officer, says, “Our Way of Working philosophy empowers our associates to work whenever, however, and wherever to achieve their best results.” Integrating workplace flexibility has led to strong business performance, more productivity and satisfaction among associates, and 20% less turnover in a challenging talent market.^{4, 5}

4 Offer employees more than flexible time

Beyond having a say in when they work, employees crave influence on what work they do and how they do it. This is where leaders can provide flexibility in tasks and training, as well as opportunities to take on special projects and participate in leadership development or mentoring programs.

When employees have opportunities and autonomy over their work, the likelihood of engagement soars, as shown in the table below.

EMPLOYEE PERCEPTION	IMPROVED ODDS OF HIGH ENGAGEMENT
My organization supports employees learning new skills at work	+600%
My leader encourages employees to take time to think of new ways to accomplish their tasks	+503%
I have a great deal of autonomy in how I accomplish my work	+430%
I have flexibility in what I choose to work on each day	+340%

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EQUITABLE FLEXIBILITY—KEY TAKEAWAYS

Flexibility at work should be available and equitable to all employees.

Providing equitable flexibility helps employees feel trusted and valued.

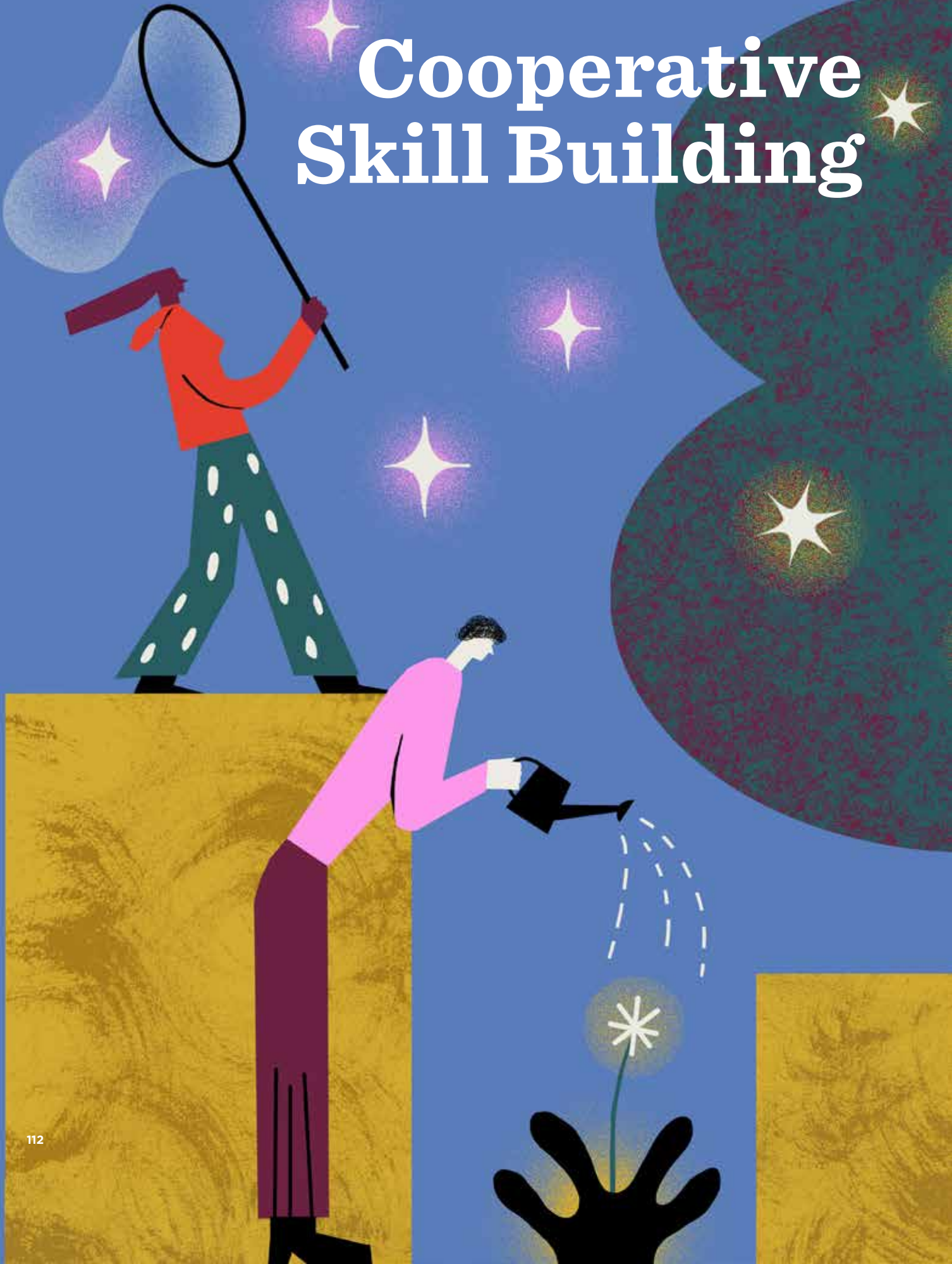
Leaders should learn their employees' unique needs and work with them to find a level of flexibility that works for everyone.

Giving employees flexibility in when, where, and how they work will help them feel engaged and want to stay.

Equitable Flexibility Sources

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Cooperative Skill Building



New skills are as good for the business as they are for the person. But they don't develop themselves.



5X

**GREATER ODDS OF EMPLOYEE
FULFILLMENT WHEN AN ORGANIZATION
SUPPORTS SKILL BUILDING**

The eternal quest for higher profits has perpetually compelled organizations to increase their efficiency, generating more output with less input (including a minimum of personnel). But if skill building was ever a silver bullet for this pursuit, it has lost much of its shine. Today, many workers are suspicious of “quiet hiring,” and just as many employers worry their people will use any new or sharpened abilities to find another job. Fortunately, with the right approach, skill building can still benefit both sides. Educating and developing employees not only strengthens connection and increases their sense of fulfillment; as our research shows, it also dramatically boosts retention and innovation.

INTRODUCTION

Skill building (often referred to as upskilling) helps employees gain additional training and education to excel in their jobs and develop their careers. It also helps organizations partially address a competitive market for talent. However, in some circumstances, it can provoke skepticism among employees who are wary that organizations will train them to do more work without reflecting it in their pay (commonly known as “quiet hiring,” stemming from the term “quiet quitting” in which employees do exactly the amount of work they’re paid for, nothing more).

Equally apprehensive, many organizations believe employees who want to learn new skills are plotting to expand their employment options. However, our research finds less than a quarter of workers (22%) say they’d want to build skills to leave for a job in a new field at a different organization. Instead, 83% of workers told us it’s important for prospective organizations to offer skill-building opportunities and the top reasons for wanting them are to improve performance in a current job (54%) and to achieve personal growth (53%). By not offering skill-building opportunities, employers may inadvertently communicate that they don’t care about employees or their growth. Indeed, organizations that don’t provide any skill building have 76% lower odds of having a thriving workplace culture and 72% lower odds of having employees say they still want to work there in a year.

When done right, skill building bolsters growth, inclusion, and a sense of community. Employees who are satisfied with their organization’s efforts are more than 5x as likely to be Promoters of the organization and nearly 5x more likely to do great work. In an era of work where change and growth are constant, supporting employees’ skill building is a vital investment. According to the LinkedIn 2023 Learning Report, the number-one way companies try to improve retention is by providing learning opportunities, followed closely by upskilling and creating a culture of learning.¹

So, how can HR make skill building mutually beneficial for workers and the organization? Simply put, by focusing all efforts on people. Opportunities that are flexible, inclusive, and allow employees to explore their interests can transform how they view career development and growth in their workplace. Giving people a voice in the skills they build, the time to build those skills, and recognition for their accomplishments will help them find fulfillment and thrive at work.

“Learning is key to your resilience as a business. If you invest in curiosity, learning, and agility for your workforce, you will be able to bounce back from setbacks, adapt to change, and be more ready for whatever comes next.”

—CAT WARD, VP, JOBS FOR THE FUTURE

EMPLOYEES NEED OPTIONS AND AUTONOMY

Giving workers a choice in skill building is critical—a full 90% report having a say in the skills they learn is an important part of their employee experience.

Organizations can start by asking employees what training or topics are most relevant or interesting to them. This improves the odds of employees feeling connected to leaders (5x), having a sense of freedom and choice at work (5x), and perceiving that they’re getting what they “really want” from their work (4.5x).

Many employees seek skillsets they can use in their current and future jobs, but we also find a desire for hobby-type classes that may not directly relate to work. Specifically, 85% of employees have above-average interest in learning work skills, and 82% have high interest in pursuing non-work skills. Acquiring either type can boost employee wellbeing and morale. And, as shown in the next table, when organizations design opportunities with employees in mind, we see a positive impact on many cultural metrics.

OUTCOME	INCREASED IMPACT
Thriving workplace culture	+748%
Inclusion	+363%
Engagement	+341%
Fulfillment	+462%
Community	+402%
Life balance	+208%
Appreciation	+312%
Great work	+265%
Burnout	-77%

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Successful skill building requires organizations to demonstrate they have employees' best interests at heart—that they care about peoples' growth and development and not just the bottom line. When employees have a wide variety of skill-building opportunities and believe senior leaders care about them, the data show:

- **+230% increased odds of a satisfying skill-building experience**
- **+390% increased odds of a stronger sense of workplace community**
- **+352% increased odds of a thriving workplace culture**

“People want to be in a place where they feel they are growing, where they are being challenged, where they have autonomy to push their ideas forward. The employee wants to feel like they’re a part of that conversation, and that they actually get to dictate some of those goals. Employees having a say in their goals is super important.”

—JARIN SCHMIDT, CHIEF EXPERIENCE OFFICER, CREDLY

SKILL BUILDING MUST BE EQUITABLE

Often, skill-building opportunities are only available to employees in certain roles or at specific performance levels. However, when organizations give everyone the same opportunities, the odds that people will thrive, do great work, and feel a sense of community increase (5.6x, 5x, and 4.6x, respectively).

Regrettably, only 64% of employees say their skill-building opportunities are open to all. Furthermore, our analyses find that individual contributors, generalists, and minorities are significantly less likely to report equal opportunities in their workplaces.

Organizations can ensure skill building is more equitable by providing a variety of options to satisfy a greater range of employee interests inside and outside work. Whether it's learning how to create Excel spreadsheets or plant a vegetable garden, when employees feel cared about and invested in as people, their feelings of inclusion and belonging also grow.

Opportunities such as tuition reimbursement and professional classes that directly apply to the workplace significantly impact employees' sense of community and inclusion. Yet, interestingly, support for teams to learn skills together and reimbursement for classes that are less relevant to work can strengthen feelings of belonging, inclusion, and community even more, as referenced in the following table.

SKILL-BUILDING PROGRAM ATTRIBUTE	INCREASED ODDS OF BELONGING	INCREASED ODDS OF INCLUSION	INCREASED ODDS OF COMMUNITY
Support for skill-building opportunities with the team	2.6x	2.6x	3x
Reimbursement for hobby classes	2x	2.4x	2.5x
Reimbursement for professional classes not directly applicable to work	2x	2x	2.4x
Reimbursement for professional classes directly applicable to work	2x	2x	2x
Tuition reimbursement programs	2x	2x	2x
Time during work to complete training	2x	2x	2x
All of the above combined	4x	7x	12x

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Additionally, reimbursement for hobby classes improves the odds that the skill-building program will positively impact retention by 119%. Not surprisingly, employees want to stay with organizations that support both their professional and personal growth.

SKILL BUILDING INCREASES EMPLOYEE FULFILLMENT

Ultimately, skill building can be a way for people to satisfy their psychological needs and find fulfillment at work. Last year, we uncovered four main factors for fulfillment that included growth, both inside and outside of work.² Skill-building opportunities contribute to a sense of professional growth which, in turn, helps employees feel more fulfilled overall.



Figure 5. EMPLOYEE FULFILLMENT

The four factors of fulfillment incorporate and build upon the three psychological needs of autonomy, mastery, and connection resulting in meaningful and memorable peak experiences.

Employer support for developing a wide variety of skills also leads to a stronger sense of life balance, another factor that influences employee fulfillment, as seen in the table below.

SKILL-BUILDING OPPORTUNITY	INCREASED ODDS OF LIFE BALANCE
Tuition reimbursement programs	+98%
Reimbursement for professional classes directly applicable to work	+93%
Reimbursement for professional classes not directly applicable to work	+81%
Reimbursement for hobby classes	+115%
Time during work to complete training	+95%
Support for skill-building opportunities with the team	+133%
All of the above combined	+342%

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The odds of fulfillment are 4x better when leaders support employee skill building and 5x better when organizations do. The impact even extends to retention: Employees have 4x greater odds of planning to work at their organizations one year in the future when leaders or organizations support skill building, and when both support it, the odds improve to nearly 9x.

“If you give employees all the adequate training and resources, then you will actually keep more employees. You’d be surprised how many people want to stay because people see that this company is investing in me with all this training and all the opportunity.”

—FOCUS GROUP PARTICIPANT, FINANCE PROFESSIONAL

RECOMMENDATIONS

To implement a people-centered approach to skill building, organizations must provide choice, time, and recognition.

1 Give employees options and ask for feedback

Every organization is unique, and workers have diverse desires and expectations for skill building. Even when an organization mandates development, it can offer employees choice within a framework, which starts with asking employees what they'd like to learn before deciding what kinds of classes or programs to offer. Have them suggest the skills and how they want to acquire them. As the following table details, this helps satisfy the psychological needs of autonomy, mastery, and connection.

OUTCOME	INCREASE IN ODDS WHEN LEADERS ASK FOR INPUT ON THE SKILL-BUILDING PROCESS	INCREASE IN ODDS WHEN LEADERS ASK FOR INPUT ON RELEVANT CLASSES/TRAINING
Connection to leader	5x	4.6x
Connection to organization	4x	4x
Confidence in ability to do job well (mastery)	4x	4x
Sense of freedom and choice at work (autonomy)	5x	5x
Sense that job reflects what I “really want” (autonomy)	5x	4.5x

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After listening to input and feedback, take supportive action. When employees feel the organization uses their feedback to develop skill-building programs, their sense of empowerment and desire to stay increases:

OUTCOME	INCREASE IN ODDS WHEN ORGANIZATION ACTS ON EMPLOYEE FEEDBACK
Skill-building program feels empowering	9x
Skill-building experience was positive	8.6x
Plan to stay with organization at least one more year	5x
Plan to stay with organization at least three more years	3x

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A young man with dark hair, wearing a light-colored button-down shirt, is sitting in a classroom. He is looking off to the side with a thoughtful expression. The background is slightly blurred, showing other students and classroom elements. The entire image has a teal/blue color overlay.

CASE STUDY—SKILL BUILDING WITH THE BEST

While many organizations offer great skill-building opportunities, these companies ensure employee choice and autonomy is built into their development efforts:

Atlassian. The collaboration software company gives every employee an annual training budget to spend, along with access to an internal portal and online library featuring thousands of developmental topics and courses to help them find and cultivate new interests.³

Etsy. The global online marketplace for unique items offers its people a variety of both professional and personal learning opportunities, ranging from techniques to invigorate sluggish meetings to tap dancing lessons.⁴

Intuit. Using development programs that flex to meet the needs of each employee, the business and financial software company provides workshops, coaching, experiential training, videos, articles, and books, plus ongoing development conversations with leaders, to help people grow their careers.⁵

2 Give employees time at work to build their skills

In addition to a variety of resources, employees need the time to develop skills—and that shouldn't all happen after hours. More than 91% of employees say it's at least moderately important for organizations to give employees time to complete trainings (and 70% say it's very or extremely important).

Setting aside time, on the clock, for employees to focus on classes and training encourages participation and sends the message that the organization is committed to people-centric skill building. When employees are given time during work hours to complete their training, they're 4x more likely to participate in a skill-building opportunity and 5x more likely to feel a strong sense of community in their workplace.

Of course, clearly communicate the time parameters for employees to learn new skills at work. And keep in mind stretch assignments, special projects, and mentorships can also help build skills, so give employees time to incorporate these opportunities into their daily work.

CASE STUDY—ENCOURAGING SKILLS AND BUILDING CULTURE

CEAT, a global tire manufacturer, understands its employees' personal aspirations are an important part of finding fulfillment, so the company provides opportunities to explore various departments and participate in extracurricular activities. What sets CEAT apart is the encouragement it gives its people.

For example, adjusting shifts to accommodate dance classes or creative writing workshops inspires workers to follow their passions—and the support is extremely impactful. Employees describe it as “heart-touching” and “overwhelming.”

Arjun Singh, VP of Human Resources, explains the company perspective, “To ensure that our belief and trust in employees convert into practice and ultimately culture, we have contemporary policies that provide a guiding framework so people can get the benefits of these policies.”⁶

“This is the way that people feel valued in the business. If you’re training me, you’re telling me that you want me to be prepared for the future of the organization.... Even if you don’t know where people want to be in their life or what’s important to them, I guarantee you there is something at the end of the rainbow for them. And training and development is the way that people feel valued.”

**—JULIAN LUTE, SENIOR MANAGER AND STRATEGIC ADVISOR,
GREAT PLACE TO WORK®**

3 Integrate recognition into the skill-building process

HR industry analyst, The Josh Bersin Company, finds high-performing companies are 30x more likely to reward employees for skills.⁷ Unfortunately, according to HR consultant, Brandon Hall Group, rewards and recognition for employees who reach new competency and skill milestones are inadequate.⁸

Recognizing employees throughout the skill-building process shows them they're valued and have achieved something important as they learn new skills. What's more, in our research, 73% of employees stated that encouragement from a coworker was an important factor in their decision to pursue additional training.

Don't reserve recognition for the end of a certification or training. Why? Employees have 3x greater odds of being satisfied with their experience if they're recognized at the completion of a training, but those who receive recognition both during and after have 4x greater odds of being satisfied. This type of recognition is akin to cheering for a runner to encourage them before they cross the finish line. So, be sure to provide ample opportunities for leaders and peers to recognize employees for both extra effort and accomplishments and whenever people demonstrate or practice a new skill. Doing so will reinforce the specific skills and the importance of skill building throughout the organization.

COOPERATIVE SKILL BUILDING—KEY TAKEAWAYS

When skill building is people-centered, it benefits both employees and organizations.

Organizations benefit from providing skill-building opportunities for all employees.

Offering employees options and time to develop skills helps meet their needs for autonomy and mastery.

Recognizing people during and after their training improves the employee experience and reinforces the value of new skills.

Cooperative Skill Building Sources

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4. Developing Ourselves, Etsy website, 2023.
5. Intuit India website, 2023.
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Nimble Resilience



Adapting to challenges in the workplace can be less reactionary and more reliable.



30%

OF EMPLOYEES BELIEVE THEIR
ORGANIZATION IS NIMBLY RESILIENT

If patience is a virtue, then resilience must be one, too. This quality enables us to survive and even grow stronger from inevitable stress and adversity. However, today's dynamic work environments present so much challenge for organizations that true, lasting resilience now requires more than just endurance. It takes a healthy dose of adaptability and proactivity. In a single word, resilience must also be nimble. Whether the goal is to improve the employee experience or increase innovation, leaders who model and cultivate values like transparency, collaboration, and flexibility can directly influence employees' fortitude and, ultimately, help the organization rise to whatever tests the future brings.

INTRODUCTION

In the ever-evolving workplace, organizations are addressing huge changes in their industries, marketplaces, technologies, and customer demands. And to succeed, many are depending on greater resilience from their employees. In fact, The Conference Board reports one of the top priorities for CEOs is to “build a resilient workforce to prepare for future challenges.”¹

Resilience is traditionally defined as the ability to withstand challenges or recover from hardships. But this definition doesn't work in today's inherently dynamic workplace because it relies too heavily on the capacity of individuals and too little on the culture of organizations. Simply demanding that employees endure travails ignores the issues behind changing roles, practices, and job requirements. Consequently, resilience becomes whatever the employee can bear rather than proactive organizational preparation for change. Traditional resilience also has its limits. Our research finds over half (53%) of employees say they're expected to just push through challenges without complaint, which leads to a 125% higher likelihood of burnout.

Moreover, traditional approaches to resilience are reactionary to outside forces. They focus on outlasting the challenge or change instead of addressing its origin and providing resources to adapt. According to our data, 64% of employees say their organization embraces change, but more than half say it reacts to change rather than getting ahead of it to meet the upcoming demands of their industry.

Nimble resilience requires a shift in mindset—from seeing change and challenges as setbacks or crises to overcome to viewing them as opportunities to innovate, evolve, and improve. More than ever, success requires organizations to have a framework in place with policies and programs that encourage employees to embrace change, collaborate, and practice cross-disciplinary thinking.

“The way we look at resilience has changed. We used to think it was grit, being strong, getting through it. Now it has shifted to more self-awareness and responsiveness to the people around you.”

—STEVEN STEIN, FOUNDER, MULTI-HEALTH SYSTEMS

THE THREE KEY INGREDIENTS OF NIMBLE RESILIENCE

Our research finds that nimbly resilient employees, leaders, and organizations are guided by three powerful principles: adaptability, proactivity, and perseverance. All are crucial to thrive in a dynamic work environment.

Adaptability. Anticipating changes or challenges and adjusting or innovating to meet them.

Proactivity. Continually evolving by seeking new ways of doing things instead of only reacting.

Perseverance. Seeing setbacks as opportunities to learn and grow rather than as crises.



Figure 6. NIMBLE RESILIENCE INDEX
The three principles of nimble resilience.

Looking deeper, we can identify the attitudes and behaviors that reflect the application of these principles at the individual, leader, and organizational levels:

NIMBLY RESILIENT INDIVIDUAL	NIMBLY RESILIENT LEADER	NIMBLY RESILIENT ORGANIZATION
I can quickly adjust my approach to work when project requirements change	My leader is not intimidated by unexpected challenges	My organization is quick to implement new innovations when needed
I am always looking for new ways to accomplish tasks	My leader has a plan for how our team can grow to meet new demands	Job roles at my organization evolve to meet changing workplace demands
I overcome setbacks to accomplish project objectives	My leader recovers quickly from setbacks	In my organization, setbacks are treated as a positive learning opportunity

Nimble resilient organizations are better positioned to adapt and innovate through changes and challenges than reactive organizations that double down on old practices and encourage employees to simply push through.

Transformation happens when an organization adopts the principles of nimble resilience and uses them to shape policies, programs, and workplace culture in ways that encourage employees to build relationships, find new solutions to challenges, work collaboratively across disciplines, and adopt a forward-thinking perspective that embraces change. As a result, trust in leaders and team members increases, as do connections to the organization and its purpose. According to our findings, when employees perceive their organization as nimbly resilient:

- **Odds of above-average engagement increase 699%**
- **Odds of feeling a strong connection to the organization increase 568%**
- **Odds of being a Promoter increase 460%**

In addition, positive business and cultural outcomes are dramatically higher at nimbly resilient organizations:

- **Odds of greater revenue increase 158%**
- **Odds of innovation in the face of obstacles increase 737%**
- **Odds employees have a strong desire to stay with the organization for at least one year increase 634%**
- **Odds of having a thriving workplace culture increase 914%**

“If you’re proactive, you focus on preparing. If you’re reactive, you end up focusing on repairing.”

**—JOHN C. MAXWELL, AUTHOR, SPEAKER, AND FOUNDER,
MAXWELL LEADERSHIP**

NIMBLY RESILIENT LEADERS TRANSFORM EMPLOYEES

When leaders are nimbly resilient, their teams are more likely to be also. Nimbly resilient leaders think and work across disciplines, embrace change, and encourage pivoting perspectives when faced with new challenges, which, in turn, helps employees do the same.

Modern leaders (those who mentor, inspire, and connect employees rather than control and gatekeep) categorically practice several behaviors that promote nimble resilience. These include communicating transparently, building relationships between employees, fostering an environment of psychological safety,² and prioritizing employee wellbeing, flexibility, and autonomy, all of which help employees build nimble resilience.³

As seen in our previous chapter about change, modern leaders are also more likely to have nimbly resilient teams who view change as positive because they inform and solicit feedback from employees.

When leaders exhibit these behaviors, employees are more likely to view them as nimbly resilient:

BEHAVIOR

INCREASE IN ODDS OF PERCEIVING LEADER AS NIMBLY RESILIENT

Openly share information about changes facing their organization

+197%

Anticipate challenges and help employees prepare to meet them

+137%

Give employees the flexibility to approach work in a way that works best for them

+148%

Furthermore, employees who believe their leaders are nimbly resilient are 9x more likely to think they are also nimbly resilient, which leads to higher likelihoods of engagement (+582%), feeling a strong sense of fulfillment in their work (+233%), and experiencing less burnout (-79%).

Nimbly resilient organizations have leaders, and in turn teams, who are adaptable, proactive, and perseverant. This combination enables them to be more agile and create sustainable growth, no matter what changes or challenges they face.

“The best leaders don’t know just one style of leadership—they’re skilled at several and have the flexibility to switch between styles as the circumstance dictates.”

—DANIEL GOLEMAN, AUTHOR AND NEW YORK TIMES REPORTER

RECOMMENDATIONS

To build a culture of nimble resilience, organizations must be adaptable, proactive, and perseverant; champion leader resilience; and reward resilient behaviors.

1 Develop the qualities of nimble resilience and the practices to support it

Transparent communication, collaboration, flexibility, and autonomy all help promote nimble resilience in leaders and employees.

Employees can be more adaptable and proactive when they know what challenges the organization is facing. They can embrace new perspectives when they collaborate with other teams and pivot when they feel comfortable adapting to change. (See the chapter, Embracing Change.) As the following table details, these types of practices improve the odds that employees will see themselves as nimbly resilient.

PRACTICE	INCREASED ODDS OF SEEING THEMSELVES AS NIMBLY RESILIENT
Employees are well-informed about challenges facing their organization	+146%
Teams regularly collaborate on projects with other teams	+174%
Employees comfortably adapt to changes in their job role	+181%

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Likewise, by regularly sharing information about changes and challenges, giving employees autonomy, and encouraging collaboration, organizations can affect how employees perceive them, as shown in the next table.

PRACTICE	INCREASED ODDS OF SEEING THEIR ORGANIZATION AS NIMBLY RESILIENT
Employees regularly see information about changes facing their organization	+125%
Organization empowers employees to challenge accepted ways of doing things	+165%
Organization encourages regular collaboration across departments and teams	+192%

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CASE STUDY—PROACTIVELY PREPARING AND IMPROVING

Office furniture manufacturer, Steelcase, embraces uncertainty and change with its Strategic Workforce Architecture and Transformation (SWAT) team. The group tracks emerging trends and then conducts experimental projects to decide how to respond before any big changes arrive.

Using an internal platform called Loop, the company asks employees to volunteer for these projects that are typically outside their job role so they can gain experience and skills they might not in their day-to-day work. Jill Dark, VP of Talent Futures, says, “If you give people the opportunity to learn something new or to show their craft, they will give you their best work. The magic is in providing the opportunity.”

Steelcase believes transformation is the new status quo, and SWAT helps improve existing ways of working, identify and seize opportunities for change, and co-design solutions that grow business and employees.^{4,5}

2 Champion nimbly resilient leadership

Organizations should train leaders to practice skills that build nimble resilience. They should also hold them accountable for modeling behaviors like communicating openly, collaborating with others, embracing new perspectives at work, tackling challenges proactively, and creating an environment of psychological safety,⁶ listening,⁷ and understanding.

When employees perceive their leaders are nimbly resilient, the odds they will see their organization as such increase 1,460%.

Nimbly resilient leaders plan ahead and pivot when challenges come their way. They give employees flexibility, solicit feedback, and provide a voice in change. With autonomy, resources, and support, they and their teams can innovate and overcome setbacks.

3 Recognize and reward

After communicating and modeling the attributes of nimble resilience, be sure to recognize the employees who practice them. Give frequent, meaningful recognition to those who collaborate, adopt new thinking, persevere through change, or find a new way of doing something.

Also, share the recognition and stories companywide so other employees can learn what it means to be nimbly resilient themselves. Organizations that recognize employees for important core behaviors often see these practices quickly become an integral part of the workplace culture. Note the impact of regular recognition on the increased probability of several outcomes when employees see themselves or leaders as nimbly resilient:

OUTCOME	INCREASE IN ODDS WHEN INDIVIDUALS SEE THEMSELVES AS NIMBLY RESILIENT AND RECOGNITION IS PART OF EVERYDAY CULTURE	INCREASE IN ODDS WHEN INDIVIDUALS SEE THEIR LEADERS AND ORGANIZATION AS NIMBLY RESILIENT AND RECOGNITION IS INTEGRATED IN THE WORKPLACE
Engagement	5x	7x
Great work	4x	4x
Strong sense of belonging	2x	3x
Strong sense of fulfillment	2x	3x
Strong connection to organization	2x	3x
Strong desire to stay with organization one more year	2x	3x

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CASE STUDY—RECOGNIZING ATTEMPTS, NOT JUST ACHIEVEMENTS

The Indian multinational, Tata Group, has a corporate philosophy that includes ambition, collaboration, and transformation. It dares people to question the status quo, take risks, and be curious and passionate about learning. Innovation is so important to Tata, it rewards employees for trying new ideas, even if they fail.

Case in point: The company's InnoVista awards celebrate employee innovations, attracting over 2,000 entries from around the world, to help build its culture of sustainable, collaborative improvement. Categories include both implemented and piloted technologies, but there's also a category called "Dare to Try" that honors employees for great concepts that didn't completely work. The prize is more about what goes into an idea than what comes out of it. According to Natarajan Chandrasekaran, Chairman, Tata Sons, "I know innovation is about winning, but more importantly it's about trying."^{8, 9}

NIMBLE RESILIENCE—KEY TAKEAWAYS

Traditional approaches to resilience center on endurance, making them reactionary and unsustainable.

Nimble resilience is based on adaptability, proactivity, and perseverance, which reframe change as an opportunity to innovate and grow rather than a challenge to overcome.

Organizations must champion nimbly resilient leaders and practices like open communication, collaboration, flexibility, and autonomy.

Recognizing and rewarding employees who demonstrate nimble resilience improves cultural and business outcomes.

Nimble Resilience Sources

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2. “Bridge across uncertainty: How crisis leadership with a human focus can support business resilience,” Jen Fisher, Brenna Sniderman, Nicole Nodi, Deloitte Insights, August 18, 2020.
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9. Culture and Diversity, Tata Communications website, 2023.



Conclusion

Every shift is an opportunity.



CONCLUSION

The Global Culture Report contains an abundance of statistical findings every year— data represented in percentages and odds that help us better understand employee experiences worldwide. But this year the findings add up to something more: Reason for hope. We see conditions and calculations with promise. Numbers that translate into confidence that small shifts in the way organizations manage change, build skills, show empathy, and develop resilience can create healthier workplace cultures.

Imagine, for a moment, how the small, people-centered modifications detailed in this report could transform your organization. With a little more flexibility and autonomy in their roles, your employees achieve greater balance in their lives and innovation in their work. They also acquire and use new skills that strengthen both their feelings of loyalty and your organization's capabilities. And then, leaders practice empathy with more potency (and fewer negative side effects) and nurture teams who are resilient enough to benefit from whatever changes the future holds. Taken together, it's harder to imagine how these shifts wouldn't transform any organization.

Of course, even small shifts are more feasible when accompanied by straightforward steps. Here are few to get started:

1. Prioritize a people-centered culture

Culture programs should be part of your corporate strategy. And convincing executives to make them a priority should be easier given current talent shortages. So collect the data, create a business plan, and highlight how small changes in the employee experience can have a big impact.

2. Create a framework

Whether you aspire to build practical empathy, nimble resilience, or equitable flexibility, a framework helps make it real. Include specific principles, policies, and practices to support it as well as ways to educate and hold leaders accountable.

3. Define behaviors

Very few employees will know what proactivity or adaptability mean without the right context and examples. So define and demonstrate principles—write them down, share them widely, and remind people what they are in team meetings, one-to-ones, town halls, and company gatherings.

4. Recognize employees

When you recognize people for great work, be sure to connect it back to core principles and practices, and highlight how the employee exhibits them. If you showcase stories of embraced change, practical empathy, and nimble resilience, others across the organization will catch on quickly. Recognition proves you value the behaviors, and especially your people.

Regardless of the source—internal or external, initiated or imposed—any change that will benefit your organization is still a choice, a choice that in most cases requires some courage. We hope this report provides the perspective, insight, and validation to find that resolve. And we wholeheartedly wish you every success as you make the shifts necessary to fuel a workplace culture where people thrive.

“It’s not only moving that creates new starting points. Sometimes all it takes is a subtle shift in perspective, an opening of the mind, an intentional pause and reset, or a new route to start to see new options and new possibilities.”

—KRISTIN ARMSTRONG, THREE-TIME OLYMPIC GOLD MEDALIST

METHODOLOGY

The O.C. Tanner Institute uses multiple research methods to support the Global Culture Report, including interviews, focus groups, cross-sectional surveys, and a longitudinal survey.

Qualitative findings came from 18 focus groups among employees and leaders of larger organizations. The groups and interviews were held throughout 2022 and 2023, each representing various types of employers, including both private and public entities.

Quantitative findings came from online survey interviews administered to employees across Argentina, Australia, Belgium, Brazil, Canada, Chile, China, Denmark, France, Germany, India, Italy, Japan, Mexico, the Netherlands, Poland, the Philippines, Saudi Arabia, Singapore, South Africa, South Korea, Spain, Sweden, Switzerland, the United Arab Emirates, the United Kingdom, and the United States. The total sample size was 42,446 workers at companies with 500+ employees. The O.C. Tanner Institute collected and analyzed all survey data. This sample is sufficient to generate meaningful conclusions about the cultures of organizations in the included countries. However, because the study does not include population data, results are subject to statistical errors customarily associated with sample-based information.

All figures, unless otherwise stated, are from the O.C. Tanner Institute.

Global Appendix



Talent Magnet index scores and workplace culture outcomes across the world.



THE AMERICAS

The rich cultures and economies of the Americas are navigating a rapidly shifting macroeconomic landscape. Our latest assessment here finds a heightened focus on the experience of workers in the 80%—the essential people in critical roles who often perceive themselves as undervalued. People who fuel business from the manufacturing plants of the United States to the coffee farms of Colombia to the oil rigs of Canada to the healthcare facilities of Brazil. Their desperate need for recognition requires empathetic action. Business leaders must transform their appreciation into understanding—not merely acknowledging the worth of these employees, but delving into their experiences, trials, and aspirations, and offering tangible support. Furthermore, the demand for equitable flexibility has become increasingly loud across the region. Employees in all roles and sectors want understanding and respect for their unique circumstances. Our research reveals a significant increase in job satisfaction and retention when leaders respond. This year’s report provides leaders with the necessary insights to proactively tackle these impending changes. By embracing empathy, translating it into action, and fostering equitable flexibility, we can ensure both our people and organizations prosper.

—
MINDI COX
CHIEF MARKETING & PEOPLE OFFICER
SALT LAKE CITY, UNITED STATES



ARG



BRA



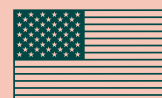
CAN



CHL



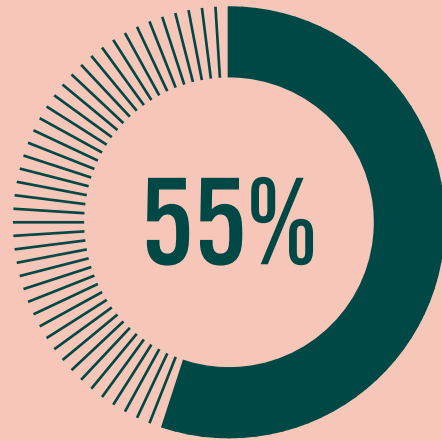
MEX



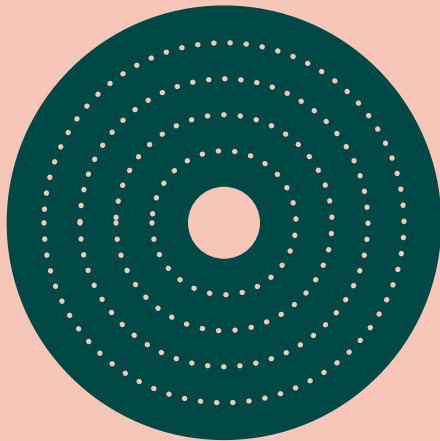
USA

9x

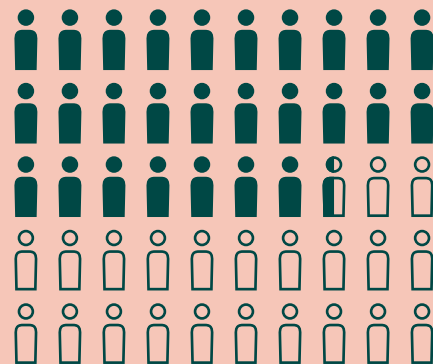
THE ODDS ARE 9x HIGHER THAT EMPLOYEES IN THE AMERICAS WANT TO STAY ANOTHER YEAR WHEN THEY PERCEIVE FLEXIBILITY IS EQUITABLE



55% OF EMPLOYEES IN THE AMERICAS AGREE THAT "ALL EMPLOYEES HAVE AS MUCH FLEXIBILITY IN THEIR JOB AS LEADERSHIP"



THE ODDS ARE 6x HIGHER THAT EMPLOYEES IN THE AMERICAS FEEL THEY BELONG IF THEIR LEADERS' EXPRESSIONS OF EMPATHY ARE ACCOMPANIED BY MEANINGFUL ACTION AND SUPPORT



55% OF FRONTLINE WORKERS IN THE AMERICAS FEEL EXPENDABLE

**THE AMERICAS
COUNTRY BREAKOUTS****ARGENTINA****BRAZIL****Purpose****66****80****Opportunity****60****76****Success****60****77****Appreciation****55****70****Wellbeing****55****64****Leadership****55****73****Engagement****65****78****Great work****65****75****Community****71****83****Fulfillment****71****83****Flexibility****55****70****Empathetic culture****53****74****Nimble resilience****61****73****People-centric workplace****60****75****Likelihood of attrition****56****56**

	CANADA	CHILE	MEXICO	UNITED STATES
	72	71	73	79
	66	64	70	76
	67	66	71	77
	61	59	61	66
	56	56	60	56
	62	60	64	73
	71	70	75	79
	66	69	72	75
	70	73	80	78
	70	74	77	80
	59	58	63	72
	62	61	64	73
	67	67	70	74
	65	65	67	77
	53	57	60	65

EUROPE

Talent retention has become a strategic necessity across Europe and the UK, where an analysis of our 2024 Global Culture Report highlights the urgent need for a profound shift towards nurturing vibrant, people-centric workplace cultures that tie employee identity and accomplishments to organisational purpose. Only 56% of European workers feel their organisations value them, underlining the importance of better channels to surface and respond to employee voices. Alarmingly, just 40% of European employees report seeing change based on their feedback, which is a high-impact opportunity for HR. A more people-focused approach, emphasising practical empathy and nimble resilience, can bridge this divide. European organisations demonstrating nimble resilience have 7x higher chances of developing thriving cultures. We anticipate a brighter future when firms integrate practical empathy and skill building into their culture strategies and create a strong platform to proactively navigate a world that continues to transform. As Europe stands on the brink of significant change, organisational leaders must champion a shift that focuses greater attention on the employee experience to swiftly meet the evolving needs of employees, rising living costs, and the drive to digitalisation.

—

ROBERT ORDEVER
MANAGING DIRECTOR, EUROPE
LONDON, ENGLAND



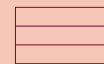
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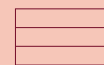
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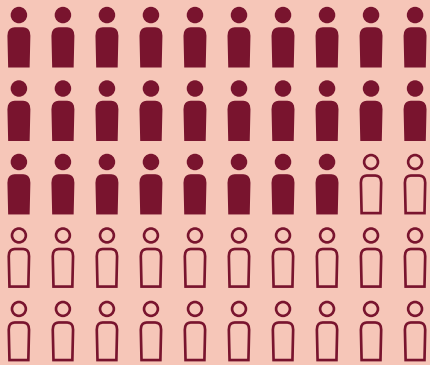
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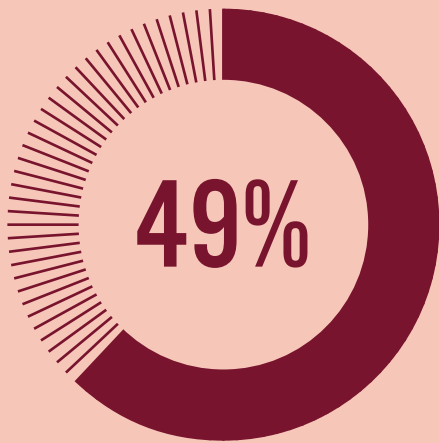
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**56% OF EMPLOYEES
IN EUROPE BELIEVE THEIR
ORGANISATION “CARES ABOUT
ITS EMPLOYEES”**



**ORGANISATIONS IN EUROPE
THAT ACT ON EMPLOYEE
FEEDBACK SEE 4x HIGHER ODDS
OF FULFILLMENT AMONG THEIR
WORKERS IN THE 80%**



**ONLY 49% OF EMPLOYEES IN
EUROPE SAY “THE CULTURE AT
MY ORGANISATION IS
SUPPORTIVE OF JOB
FLEXIBILITY WHENEVER
POSSIBLE”**

7X

**WHEN EUROPEAN WORKERS IN
THE 80% ARE GIVEN HIGH ACCESS
AND HIGH ENABLEMENT,
THE ODDS THEY’LL WANT TO
STAY WITH THEIR ORGANISATION
ANOTHER YEAR INCREASE 7X**

EUROPE COUNTRY BREAKOUTS	BELGIUM	DENMARK	FRANCE	GERMANY
Purpose	71	69	65	68
Opportunity	67	66	60	62
Success	66	67	60	62
Appreciation	59	62	57	58
Wellbeing	54	53	54	56
Leadership	64	64	57	58
Engagement	70	69	65	68
Great work	65	66	61	60
Community	73	74	66	69
Fulfillment	70	70	68	68
Flexibility	65	63	55	56
Empathetic culture	64	67	55	57
Nimble resilience	68	68	62	61
People-centric workplace	68	68	62	62
Likelihood of attrition	60	58	49	50

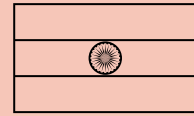
	ITALY	NETHERLANDS	POLAND	SPAIN	SWEDEN	SWITZERLAND	UNITED KINGDOM
	67	68	63	67	69	70	71
	58	67	59	60	63	67	63
	61	66	60	63	62	68	64
	56	59	57	56	59	60	58
	57	55	54	56	56	54	56
	57	63	57	57	59	65	61
	67	68	62	66	67	69	69
	63	64	60	62	62	65	64
	67	71	66	69	67	68	66
	68	69	65	71	69	68	69
	53	65	55	53	57	62	59
	55	63	58	55	58	60	59
	62	64	63	62	61	64	65
	61	66	59	62	62	64	64
	52	60	54	50	52	59	52

IMEA

The robust IMEA region, comprising 79 countries, is a diverse and dynamic ecosystem. The symbiotic partnerships and people-centric initiatives have fueled remarkable shifts over the past decade, including India's blossoming start-up environment and the Middle East's pivot from oil to innovation. The evolution has amplified employment prospects and compelled numerous multinationals to establish satellite offices. Our research reveals that an overwhelming 91% of the workforce in IMEA view skill building as a vital factor in evaluating new job opportunities and satisfaction from skill enhancement correlates to an eight-fold surge in feelings of fulfillment. Job flexibility is another key driver. Employees who perceive flexibility is fair have a nine-fold likelihood of extending their tenure by another year. Furthermore, those truly satisfied with their flexibility are 8x more likely to feel fulfilled, while empathetic workplace culture and leadership together foster a 13x increase in fulfillment. Our research underscores the importance of prioritizing skill building, equitable flexibility, and practical empathy. These elements are the cornerstones of a satisfying and enduring work sphere in the vibrant IMEA landscape. Hence, they should be serious considerations for employers seeking to build a fulfilling and sustainable workplace.

—

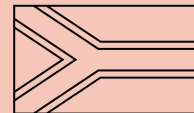
ZUBIN ZACK
MANAGING DIRECTOR, INDIA, MIDDLE EAST, AND AFRICA
MUMBAI, INDIA



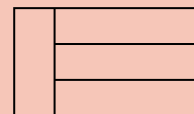
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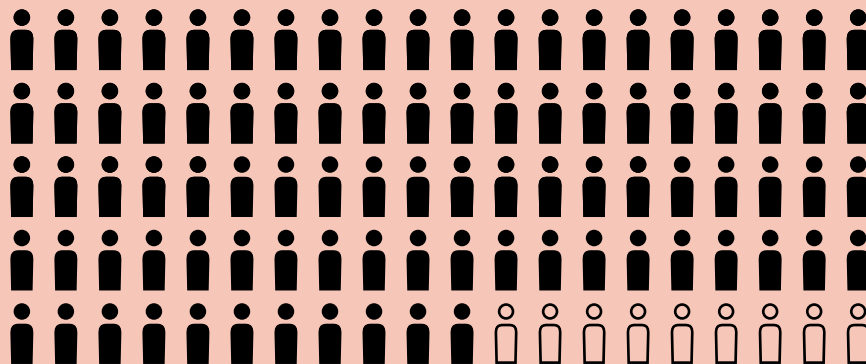
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ARE

16X

**IMEA EMPLOYEES HAVE 16x HIGHER
ODDS OF PERCEIVING THEIR WORKPLACE
CULTURE AS EMPATHETIC
WHEN RECOGNITION IS INTEGRATED**



**WHEN CONSIDERING A NEW JOB, 91% OF
IMEA WORKERS SAY SKILL-BUILDING OPPORTUNITIES
ARE IMPORTANT TO THEM**

**IMEA (INDIA, MIDDLE EAST, AFRICA)
COUNTRY BREAKOUTS**

Purpose

Opportunity

Success

Appreciation

Wellbeing

Leadership

Engagement

Great work

Community

Fulfillment

Flexibility

Empathetic culture

Nimble resilience

People-centric workplace

Likelihood of attrition

INDIA	SAUDI ARABIA	SOUTH AFRICA	UNITED ARAB EMIRATES (UAE)
83	77	77	75
83	75	70	74
83	76	74	75
69	65	68	65
55	51	62	55
78	73	68	70
84	78	78	77
81	76	77	75
85	81	75	78
84	80	78	79
79	73	64	69
80	74	66	70
80	74	74	73
83	74	71	72
72	66	54	63

APAC

Employees throughout the region feel stressed and fearful. Threats related to climate change and the geopolitical landscape have added to the sting of the rising cost of living. This is particularly true for frontline workers, many of whom lack the benefits of hybrid work due to the nature of their roles and often experience difficult customer interactions. In markets where HR hasn't historically had a strategic seat at the table, companies are struggling to catch up and keep pace with changing employee expectations. Encouragingly, we see evidence across industries that progressive organisations acknowledge these challenges and are implementing measures to build nimble resilience and create employee experiences that foster a strong sense of belonging and connection. Examples of these measures include holistic listening strategies with continuous employee feedback; a greater focus on modern leadership that accentuates practical empathy, more support, and equitable policies for frontline workers; innovative change management strategies in which key information precedes formal announcements; and a stronger emphasis on empowering and equipping leaders with the knowledge and tools to build stronger employee connections through meaningful recognition. The challenges ahead remain great, but the signs are positive.

—

ALAN HEYWARD
MANAGING DIRECTOR, ASIA PACIFIC
MELBOURNE, AUSTRALIA



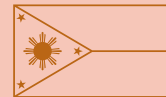
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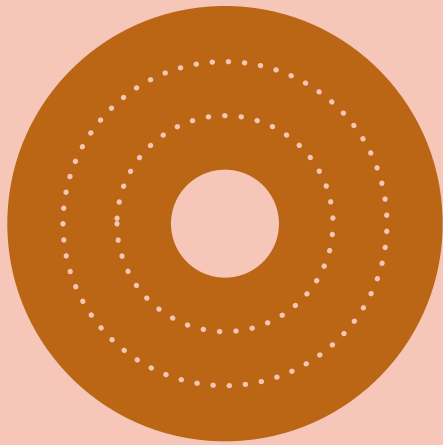
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KOR



THE ODDS APAC EMPLOYEES PERCEIVE CHANGE AS POSITIVE ARE 3x HIGHER IF THEY BELIEVE THEIR ORGANIZATION CONSIDERED THEM WHEN DECIDING TO MAKE CHANGES

9x

THE ODDS OF ACCOMPLISHING GREAT WORK ARE 9x HIGHER WHEN EMPLOYEES IN APAC BELIEVE THEIR ORGANIZATION IS NIMBLY RESILIENT

“PURPOSE AND BALANCE, TOGETHER WITH TRANSPARENT, SUPPORTIVE, AND EMPATHETIC LEADERSHIP, ARE CRITICAL FACTORS IN BUILDING A SUSTAINABLE WORKFORCE. THESE FACTORS ENABLE US TO EFFECTIVELY NAVIGATE CHANGE, RETAIN AND DEVELOP OUR PEOPLE, AND FULFILL OUR COMMITMENT TO OUR CLIENTS AND COMMUNITIES.”

**—DEAN TONG, HEAD OF GROUP HUMAN RESOURCES,
UNITED OVERSEAS BANK, SINGAPORE**

**APAC (ASIA PACIFIC)
COUNTRY BREAKOUTS**

AUSTRALIA

CHINA

Purpose	69	81
Opportunity	63	78
Success	65	77
Appreciation	59	69
Wellbeing	54	56
Leadership	61	75
Engagement	69	78
Great work	66	77
Community	67	81
Fulfillment	69	80
Flexibility	59	74
Empathetic culture	59	77
Nimble resilience	65	76
People-centric workplace	63	76
Likelihood of attrition	52	68

JAPAN	PHILIPPINES	SINGAPORE	SOUTH KOREA
58	77	69	65
51	75	67	60
49	77	67	58
52	69	59	60
52	61	50	53
47	71	64	59
52	81	68	63
53	78	68	64
51	83	70	64
56	81	69	66
48	71	66	56
48	75	66	56
51	78	68	60
51	76	68	54
50	57	62	60

The O.C. Tanner Institute is a widely respected research and education team focused on delivering valuable insights that help people thrive at work. Our award-winning and peer-reviewed research on corporate culture, employee recognition, leadership, and wellbeing opens hearts and minds, inspires change, and empowers organizations everywhere to intentionally create healthy, productive workplace cultures by design. Such cultures drive innovation, engage talent, and deliver on corporate goals.

O.C. Tanner is the global leader in software and services that improve workplace culture through a wide variety of meaningful employee experiences. Our Culture Cloud™ is a suite of apps and integrations for recognition, team initiatives, wellbeing, and leadership that help shape thriving cultures everywhere. We proudly connect people to purpose, accomplishment, and one another at thousands of the world's most respected companies.

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