workhuman*

How the Great Resignation Will Shape HR and the Future of Work

FINDINGS FROM THE WORKHUMAN IQ FALL 2021 INTERNATIONAL SURVEY REPORT

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Executive summary

As companies grapple with a "new normal" post-pandemic, there's been a palpable shift in power. After a year and a half of uncertainty, workers are now more certain than ever of what they will and won't tolerate at work. Stress, burnout, and isolation have put new expectations on the table. And if companies can't or won't put the human at the center of work, employees are more than happy to look for opportunity elsewhere.

In this survey, Workhuman® iQ polled more than 3,500 workers in the U.S., U.K., Ireland, and Canada on their connection to their jobs and their companies and what's on the horizon for their careers.

Nearly 4 in 10 told us they're planning to look for a new job in the next 12 months. This projected voluntary turnover has the potential to cost businesses billions. **If you consider the cost to replace an employee to be up to two times their salary, that means a 100-person organization with an average salary of $50,000 could see the great resignation cost up to $4,000,000 this year**. And that's a conservative estimate.

$ **$50k average salary**

$4M+ in replacement costs
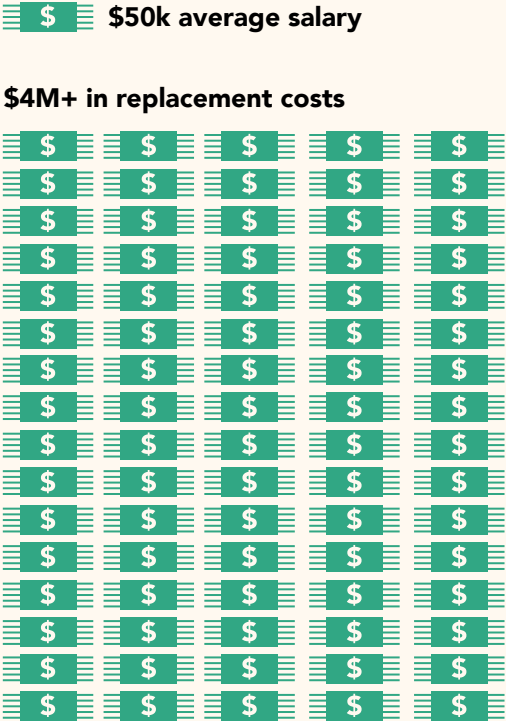
This report analyzes findings from a Workhuman survey of employee sentiment to reveal simple yet proven workplace practices – such as appreciation, communication, inclusion, and flexibility – that will help your organization thrive even in the midst of uncertainty.

Lift the lid on turnover

On any given day, you might find a different prediction for how many workers are considering quitting their jobs. It's a snapshot in time that changes from day to day.

But let's face it: The transition to a post-COVID work environment isn't going to happen overnight. Some workers on the fence about new opportunities might be playing the "wait-and-see" game.

To get a better sense of how long this "great resignation" might last, we asked this question: "Do you plan to look for a new job in the next 12 months?" More than one-third (38%) of workers said "yes." **That means nearly 4 in 10 employees are flight risks from now until summer 2022.**

2021
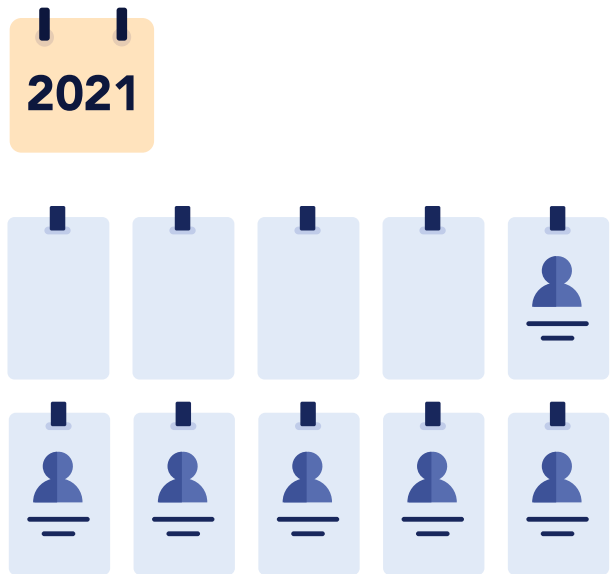
As a comparison, in Workhuman's December 2019 survey, nearly half as many people (21%) were looking for a new job. At that time, workers were asked how long they expected to stay in their current job.

2019

92%
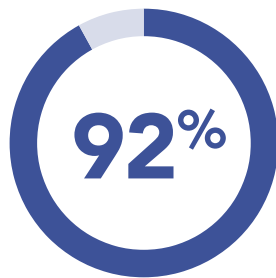
expected to be in their role for **at least a year**.
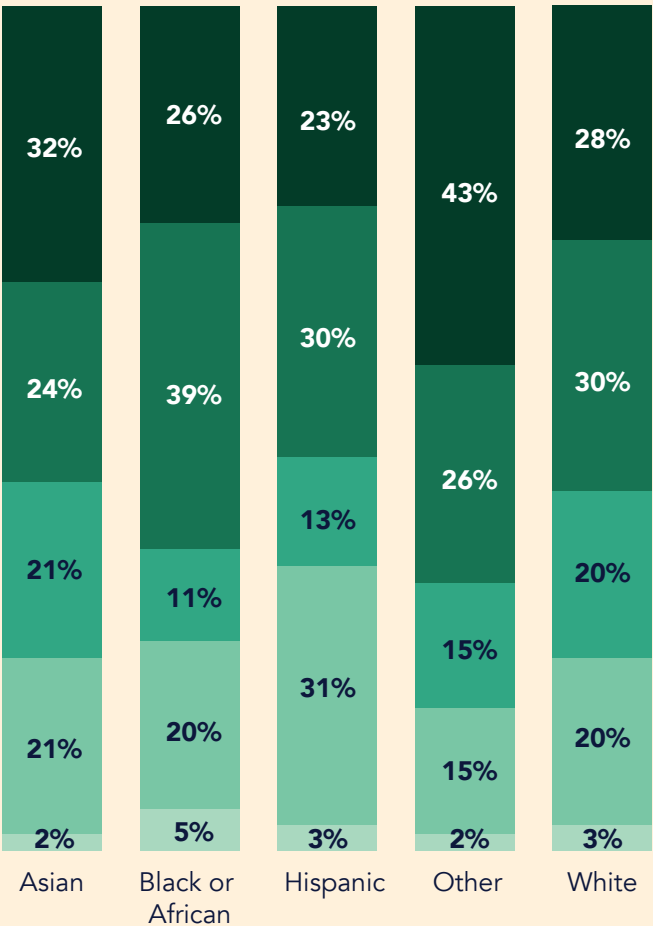
59%
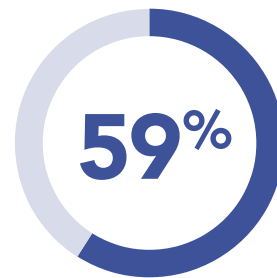
said they would be in their role for **five or more years**.

The pandemic has forced a dramatic shift in the employer/employee relationship. It's also helped workers realize what really matters when it comes to their career. Of those workers planning to look for a new job, nearly one-third (30%) cited "I want more flexibility" as their primary reason for looking.

Other reasons in order of importance include:

- **My salary is too low.**
- **I want a better job title.**
- **I want a better work culture.**
- **I no longer want to work for my manager.**

Job seekers (especially Black employees) are looking for more flexibility.

Asian	Black or African	Hispanic	Other	White
32%	26%	23%	43%	28%
24%	39%	30%	26%	30%
21%	11%	13%	15%	20%
21%	20%	31%	15%	20%
2%	5%	3%	2%	3%

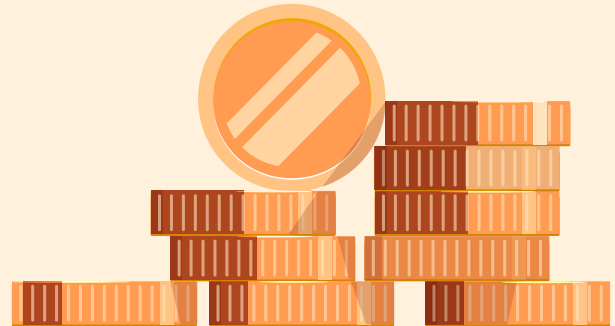Top reason I'm looking for a new job:

- My salary is too low.
- I want more flexibility.
- I want a better work culture.
- I want a better job title.
- I no longer want to work for my manager.

Percentages are rounded to the nearest whole number.

A closer look at the data also reveals insights into specific flight risks:

65% of job seekers are **working parents**.

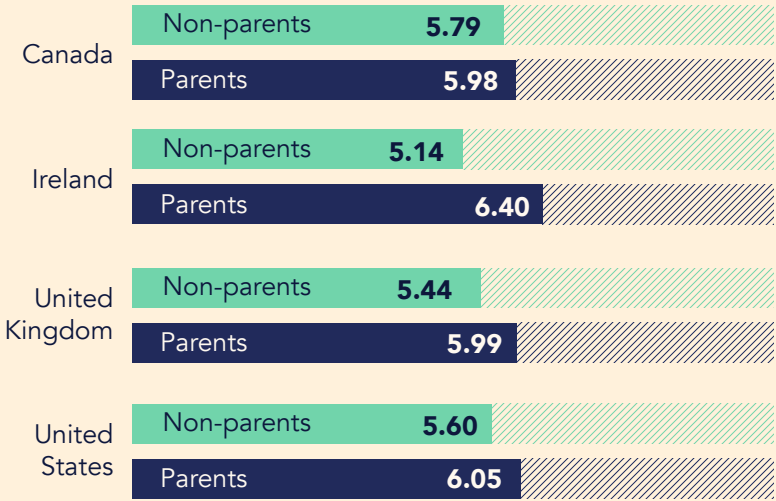Job-seeking women are looking for **higher pay over flexibility**.

The **U.K. and Ireland have more job seekers**: 46% of workers in the U.K. and 42% of workers in Ireland are looking for new jobs, compared to just 36% in the U.S. and Canada.
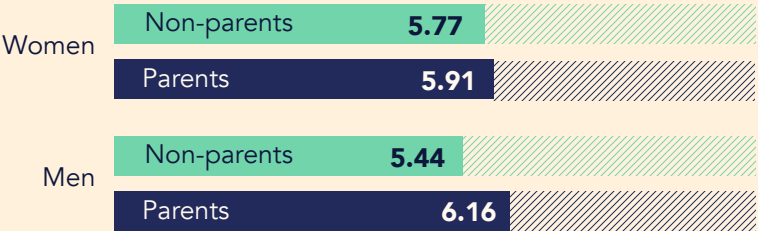
One in four of those planning to look for a new job work in **information technology and engineering** (24%).

It's no surprise so many workers are reevaluating their jobs considering the stress and isolation so many of us experienced this past year and a half. According to this survey, 64% of people have experienced burnout in their career, and 41% of workers said that burnout happened in just the past few months.

But for working parents, that stress is amplified as child care has been disrupted. The data shows working parents are more stressed than non-parents. This reflects data from a similar EY study that revealed fathers are more likely to change jobs in order to manage work and family responsibilities.

Canada		
Non-parents	5.79	
Parents	5.98	

Ireland		
Non-parents	5.14	
Parents	6.40	

United Kingdom		
Non-parents	5.44	
Parents	5.99	

United States		
Non-parents	5.60	
Parents	6.05	

Working parents, particularly in Ireland, are more stressed than non-parents.

Women		
Non-parents	5.77	
Parents	5.91	

Men		
Non-parents	5.44	
Parents	6.16	

Average stress rating (1-10 scale)

Working fathers are more stressed than working mothers.

So what will it take for companies to stay competitive and retain employees in the midst of so much uncertainty?

This year's survey data suggests

companies should double down on appreciation and communication.

By focusing on these two areas, you not only mitigate potential turnover, but also create a psychologically safe environment where employees thrive.

Quantify the power of appreciation

One of the simplest ways to make a difference in someone's day and change their perception of their work is by saying "thank you."

Each year we ask workers two questions: When was the last time you were thanked for your contributions at work? When was the last time you thanked someone else for their contributions at work?

About one-third (34%) of workers have been thanked in the last month, and 52% of workers have thanked someone else in the last month. And as it turns out, recency of receiving thanks can be a powerful indicator of intent to leave the company: Workers recognized in the last month are half as likely to be looking for a new job (26% vs. 49%).
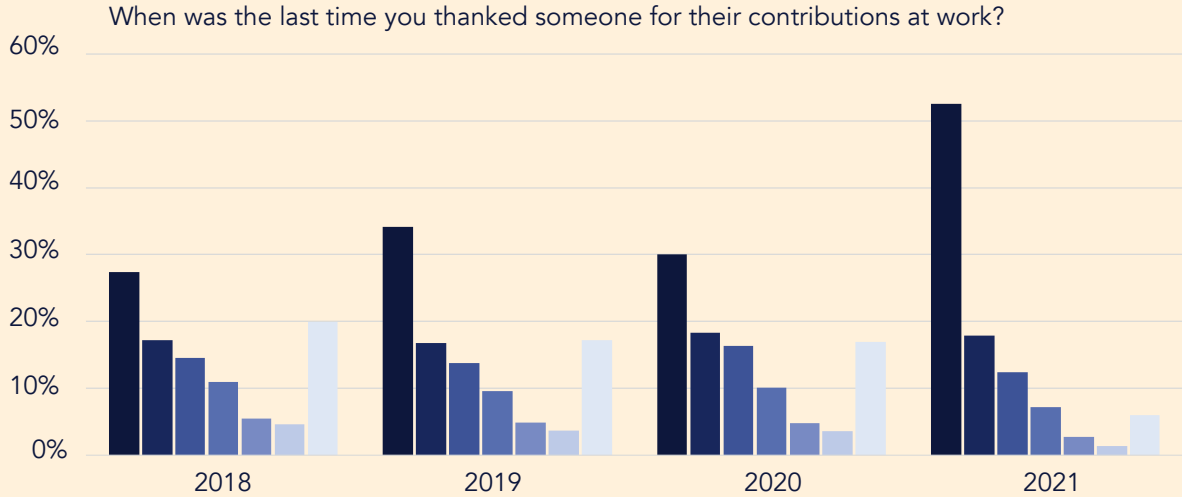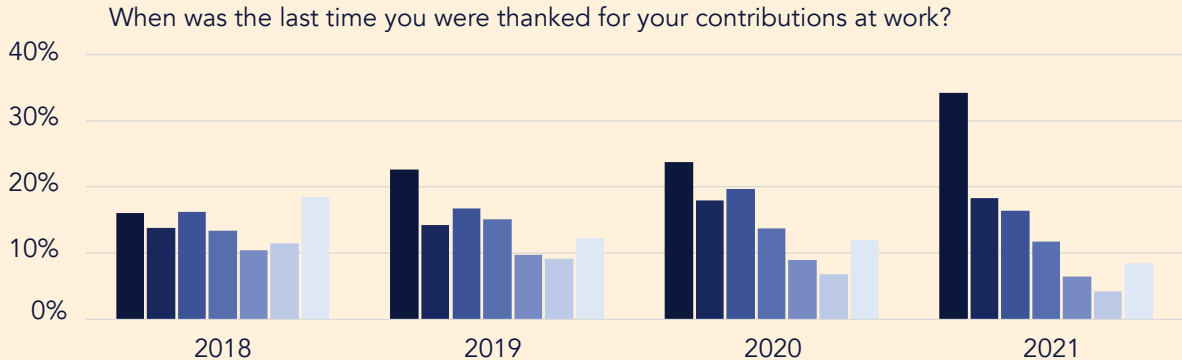
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Gratitude is the key to happiness in the workplace and everywhere else.

DR. ROBERT EMMONS
Professor at UC Davis

The good news is we've seen a positive upward trend when it comes to appreciation and gratitude.

Over the last four years, more workers have been recognized more recently (and recognized others recently), and fewer workers have told us they've never been recognized at work.

When was the last time you were thanked for your contributions at work?

When was the last time you thanked someone for their contributions at work?

Legend:
- Within the last month
- 1-2 months ago
- 3-5 months ago
- 6-11 months ago
- 12-24 months ago
- 24+ months ago
- Never been thanked/given thanks

Not only does recent recognition correlate with lower risk of turnover, vocalizing appreciation to others and being a recipient of gratitude and appreciation contributes to the overall health of your organization.

When recognized in the last month, as opposed to never,

receivers
of gratitude are:

2x
Nearly 2x as likely to be
highly engaged
(60% vs. 32%)

3x
Nearly 3x as likely to agree their work has
meaning and purpose
(53% vs. 18%)

4x
More than 4x as likely to be
happy at work
(47% vs. 11%)

4x
More than 4x as likely to agree their company's
**leadership team
is appreciative**
of the work they're doing
(59% vs. 13%)

What's more, the act of saying "thank you" to a colleague also shows positive impacts.

When recognized in the last month, as opposed to never,

givers of gratitude are:

2x More than 2x as likely to be
highly engaged
(54% vs. 21%)

3x Nearly 3x as likely to agree their work has
meaning and purpose
(46% vs. 16%)

3x Almost 3x as likely to be
happy at work
(38% vs. 13%)

3x Nearly 3x as likely to agree their company's
**leadership team
is appreciative**
of the work they're doing
(47% vs. 16%)

Gratitude changes the giver and the receiver. Multiply these positive impacts across an organization or a company, and gratitude can change culture. Case in point: Respondents were asked what happened to their company's culture during the COVID-19 pandemic. Those recognized in the last month were nearly 3x as likely to say their culture got better – with more connection and cohesion across teams (29% vs. 10%).

Perhaps this has to do with the inverse relationship between stress and gratitude. As in previous years, the data reveals the more recently someone has been thanked at work, the lower their stress level and the greater their sense of gratitude.

Mean stress rating (1-10 scale)

Mean gratitude rating (1-10 scale)
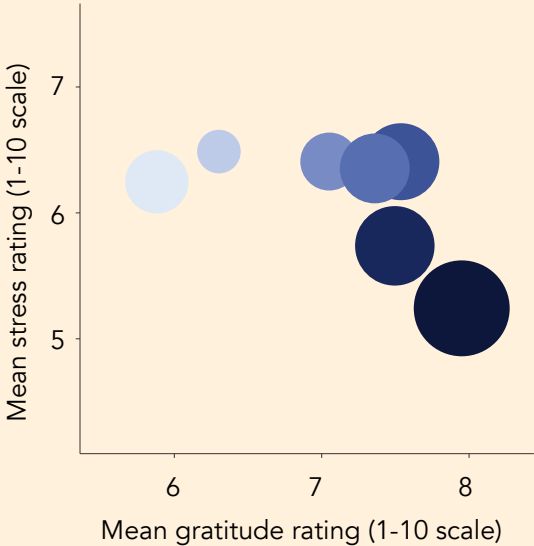
- Within the last month
- 1-2 months ago
- 3-5 months ago
- 6-11 months ago
- 12-24 months ago
- 24+ months ago
- Never been thanked

The more recently someone has been thanked at work, the lower their stress level and the greater their sense of gratitude.

Your next step: Operationalize gratitude.

The best way to operationalize appreciation within and across teams is through an employee recognition program, defined in this survey as a company initiative to reward employees for achievements, anniversaries, and milestones. More than half (64%) of workers are employed at a company that has a recognition program. When a recognition program is present, employees are:

Much more likely to feel a sense of connection to their company.

53% vs. **30%**

More than 2x as likely to see a path to grow in the organization.

38% vs. **16%**

2x as likely to trust their company's leadership team to make the right decisions for the company and its stakeholders.

40% vs. **20%**

At a time when companies and their leadership teams are scrambling to find ways to show they care, recognition is perhaps the most valuable tool in strengthening culture and protecting against turnover.

Get back to communication basics
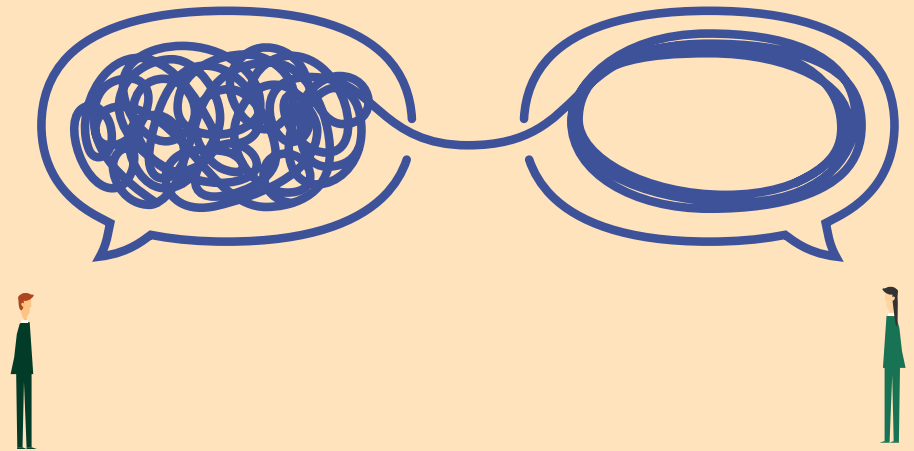
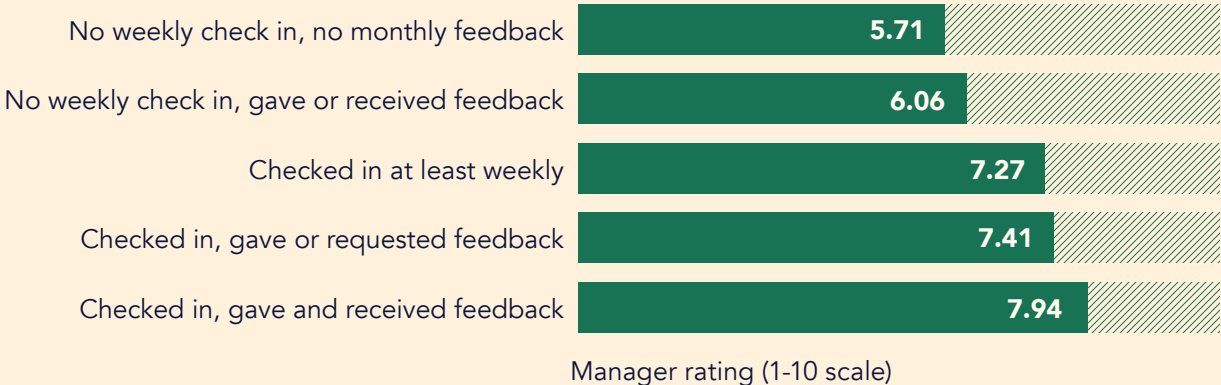If there was any vestige left of the traditional 9-to-5 workday pre-pandemic, that world is now decidedly in the rearview mirror. When asked how their company is handling the return to work, only 15% of workers said they're returning to the office full time. One-third of workers (33%) will be working in a hybrid environment moving forward. And a mix of in-office and remote work is what most respondents (47%) said they prefer anyway.

This shift in where work gets done, with increased flexibility, is great for employees. For organizations and people leaders, it makes clear, consistent communication even more critical. You can't rely on word-of-mouth or a quick hallway conversation for important information about company initiatives to make its way through the organization. People leaders and their direct reports need consistent check-ins to stay on track and keep priorities clear.

The data shows frequent check-ins are also critical in the manager-employee relationship. Employees were asked to rate their manager on a scale of 1-10 based on how well their manager keeps them motivated and engaged. When managers check in at least weekly, their rating is nearly 2x higher than managers who never check in (7.6 vs. 4.2). Further, managers with the highest ratings are those who are not only checking in often, but also giving their people feedback.

Frequent check-ins and regular feedback are correlated with higher manager ratings.

	Manager rating (1-10 scale)
No weekly check in, no monthly feedback	5.71
No weekly check in, gave or received feedback	6.06
Checked in at least weekly	7.27
Checked in, gave or requested feedback	7.41
Checked in, gave and received feedback	7.94

A majority of workers (61%) has check-ins at least once per week. The data indicates these weekly conversations are important for employees' perceptions of their value and role in the company overall. When workers have weekly check-ins, they are more than 2x as likely to:

see a **path to grow** in the organization
(33% vs. 14%)

feel a sense of **meaning and purpose** at work
(44% vs. 21%)

feel a **sense of belonging** at work
(38% vs. 16%)

trust their manager
(53% vs. 17%)

Another sign of healthy communication is the frequency and ease of giving and receiving feedback. Managers who regularly give their direct reports feedback demonstrate their investment in the work and commitment to professional development. Indeed, workers who received feedback within the last month, as opposed to never, are much more likely to feel a sense of connection to their company as a whole (50% vs. 31%).

50% vs. **31%**
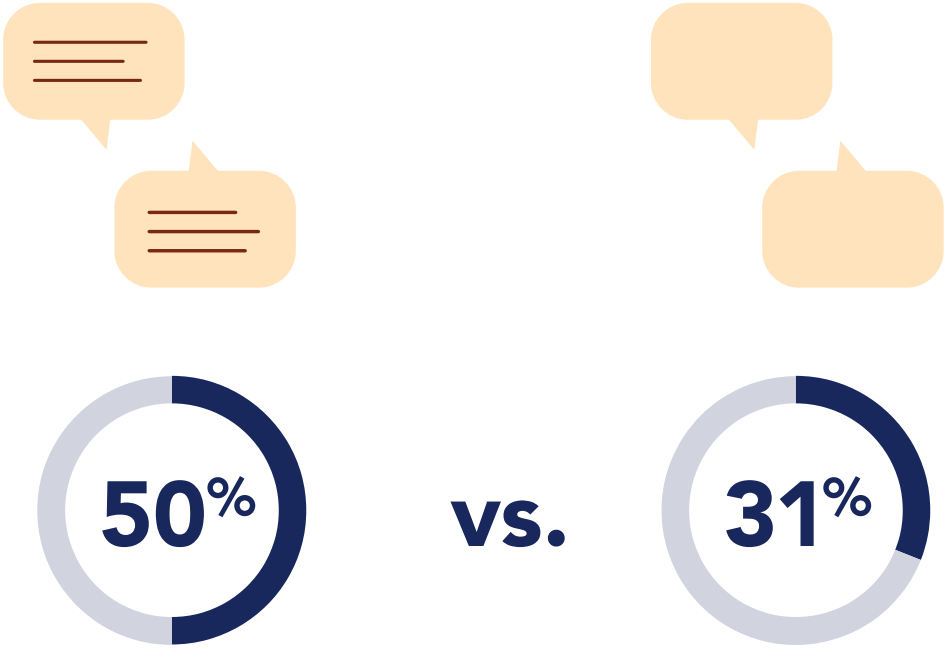
Half (50%) of workers who **received feedback in the last month** "Feel a sense of connection to their company as a whole."

Only 31% of workers who **never received feedback** "Feel a sense of connection to their company as a whole."

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Just like the coaches who give real-time guidance from the sidelines, leaders who adopt a coach approach match their message to the moment. **They don't wait until review season rolls around to hold conversations about work.** Instead, they provide just-in-time feedback that turns the very nature of work into a model for partnership.

JOE HIRSCH
Author and TEDx Speaker

Your next step:
Take the time to listen.

While managers play a pivotal role in employee development (and in turn, turnover), most have had no formal training on how to communicate effectively. One place to start is by simply asking for feedback.

If you're a manager, make a point to ask your employees how you could improve check-ins or team meetings. If you're in HR, consider administering regular pulse surveys on employee sentiment. According to the survey, only about 64% of companies are doing this now. Once you give employees a voice, be transparent about the steps you will take to address that feedback.

Put a new lens on inclusion with psychological safety

For the past several years, there's been a renewed sense of urgency when it comes to fostering belonging and inclusion in the workplace. And on the surface, it appears companies have made some headway here. About 72% of workers somewhat or strongly agree they feel a sense of belonging at their company. Another 81% somewhat or strongly agree they can be themselves at work.

But there's a more nuanced lens on inclusion – called psychological safety – that companies should pay attention to in order to stay competitive in this job market.

"

[Psychological safety is] a shared belief that I can bring my full self to work, that I will not be humiliated or made to feel less good about myself if I speak up with ideas, with questions, with concerns, and yes, even with mistakes.

AMY EDMONDSON
Professor at Harvard

Not only has Google's People Operations team found psychological safety to be the number one driver of successful teams, but our data reveals it could also be the secret to retention.

Based on responses to these seven key statements, each respondent was assigned a score (1-5) for their level of psychological safety.

1. If I make a mistake at work, it is often held against me.

2. People at this organization are able to bring up problems and tough issues.

3. People at this organization sometimes reject others for being different.

4. I feel safe to take a risk at this organization.

5. It is difficult to ask other employees at this organization for help.

6. No one at this organization would deliberately act in a way that undermines my efforts.

7. Working with members of this organization, my unique skills and talents are valued and utilized.

Only 11% of job seekers feel psychologically safe, compared to 29% of non job seekers.

Looking for a new job
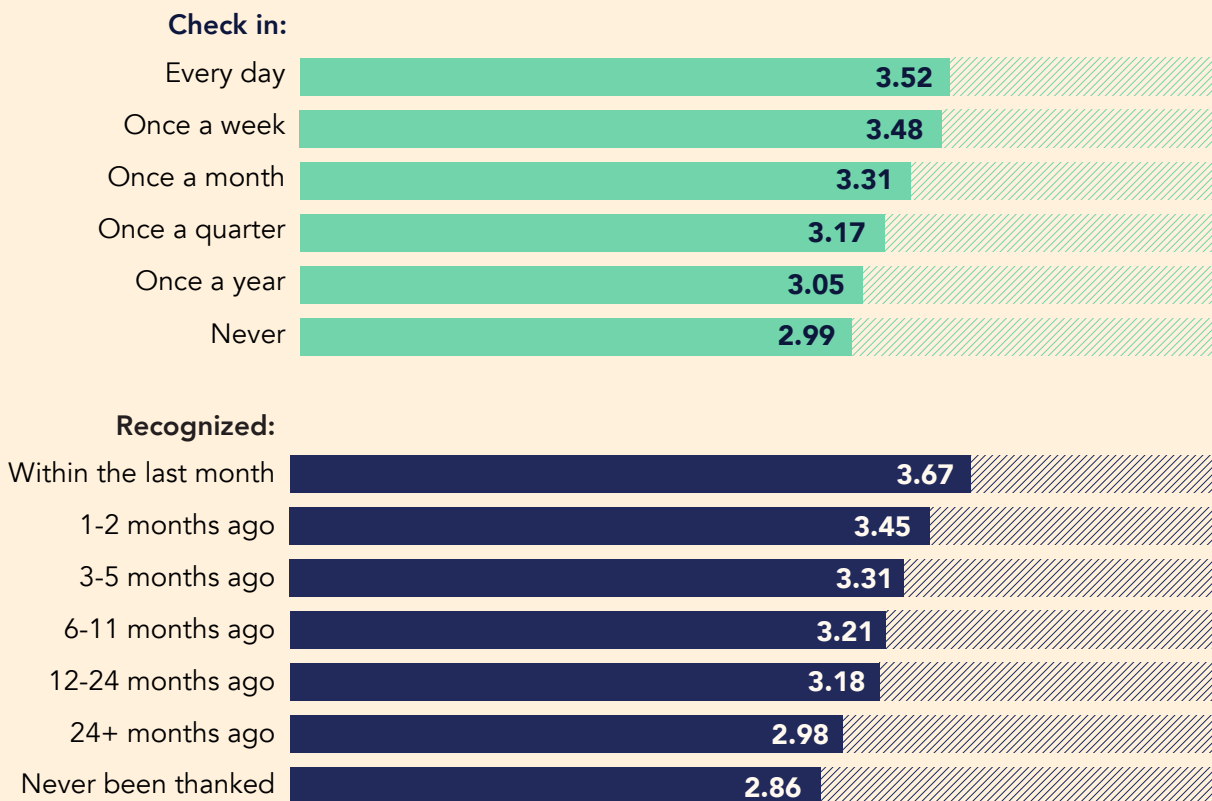
Not looking for a new job

Your next step:
Prioritize both thanks and conversations.

So what does it take to move the needle on psychological safety? How can you create an environment of social support that allows everyone to speak up and innovation and engagement to flourish? The data is clear: Don't wait to thank your employees or check in on them.

A person who has check-ins with their manager at least weekly and was recognized in the last month is much more likely to feel a sense of psychological safety on their team.

Check in:

Every day	3.52
Once a week	3.48
Once a month	3.31
Once a quarter	3.17
Once a year	3.05
Never	2.99

Recognized:

Within the last month	3.67
1-2 months ago	3.45
3-5 months ago	3.31
6-11 months ago	3.21
12-24 months ago	3.18
24+ months ago	2.98
Never been thanked	2.86

Average psychological safety rating (1-5 scale)

What's next

Rather than sitting back and letting the great resignation decimate your culture and bottom line, use the practical tips offered in this report to reevaluate your people processes.

Are you putting the human at the center of your return-to-work plan? Can you find simple ways to infuse gratitude and appreciation into the employee life cycle – beyond just an annual review or service anniversary? Are there opportunities to solicit employee feedback in the course of the workday? Moments of human connection don't cost anything – and they could be the very key to enabling trust, belonging, and engagement to thrive in your organization.

ABOUT THE SURVEY

This survey was directed by Workhuman iQ from June 18 to July 1, 2021. This is the 13th deployment of the employee survey since its launch in spring 2011. The respondent sampling of the survey was conducted by independent market research firm Dynata. The final sample of the survey was composed of 3,580 randomly selected fully employed persons in the U.S., Ireland, Canada, and U.K. (age 18 or older). The survey has a margin of error of +/- 2 percentage points at a 95% level of confidence.

ABOUT WORKHUMAN

Workhuman® is pioneering the human workplace through award-winning Social Recognition® and Continuous Performance Management solutions. Workhuman inspires more than five million humans across 180 countries to perform the best work of their lives. For the past 21 years, human resources and business leaders alike have used Workhuman Cloud® to gain the proactive insights necessary to transform and lead a more connected, human-centered workplace that accelerates engagement and productivity.

To learn more about Workhuman's mission to make work more human for every person on the planet and how you can ensure great work is celebrated and amplified in your workplace, visit workhuman.com.

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