workhuman*

The Evolution of Work

FINDINGS FROM THE WORKHUMAN IQ
SPRING 2023 INTERNATIONAL SURVEY REPORT

Table of contents

Work has **fundamentally changed** over the last three years.

How we work, where we work and the overall expectation of the workplace experience has risen from background noise to breaking news.

Dramatic shifts in employee sentiment have become so prevalent that they got nicknames. Quiet Quitting, the Big Quit, the Great Resignation, or the Great Reset: pick your favourite.

These nicknames do a disservice to the employees who make up the workforce in two ways. First, they evade the crux of the sentiment, which our research has found is plainly this: Many employees feel underpaid, undervalued and think the organisation they work for should remedy that. Second, these nicknames strip the workplace – a vibrant collection of people – of its voice and its humanity.

The goal of this report is to understand the kaleidoscope of the employee experience in today's workplace environment. How work has evolved broadly, yes, but further, how it has impacted groups of employees differently.

The last few years have included profuse pledges from organisations to be more empathetic, more equitable, more diverse, more inclusive and more supportive. How have those pledges affected the experiences of caretakers, employees of colour and LGBTQIA+ employees?

In this survey, Workhuman® iQ polled more than 4,100 full-time employees in the United States, United Kingdom, Ireland and Canada. This is the 15th iteration of our white paper research and our most diverse population sampled so far. In addition to the most expansive survey we have fielded, it's also our deepest foray into some of the intricacies and intersections of the employee experience.

Our prior survey, fielded a year ago, found a workforce settling into a hybrid working world but looking for new jobs at record rates. A workforce with a strong sense of connection to peers but drained, burned out, stressed and operating on autopilot.

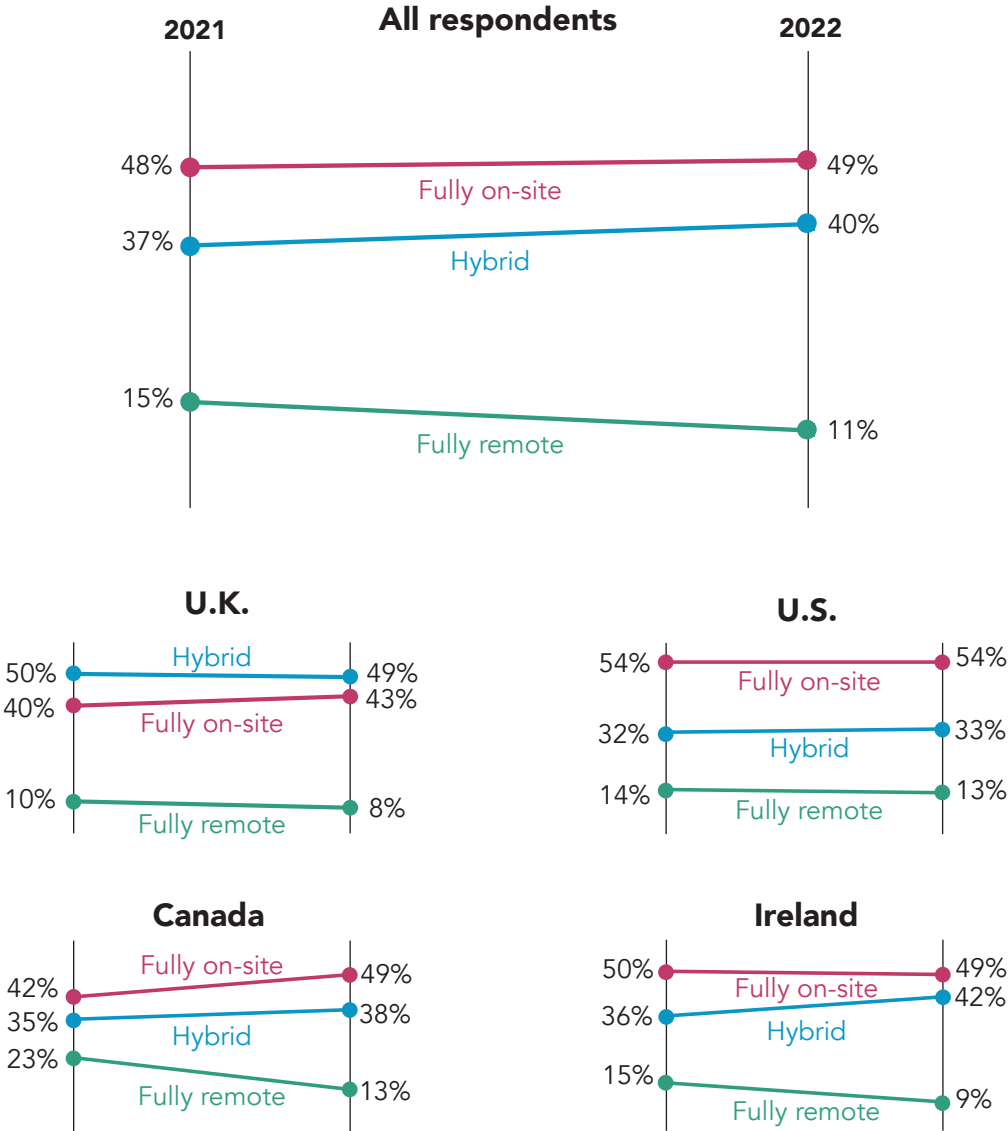## Let's see where we find the workforce today.

Ways of working

The sudden shift to remote work for many in March 2020, and its subsequent staying power, is one of the clearest and most memorable evolutions of working in decades.
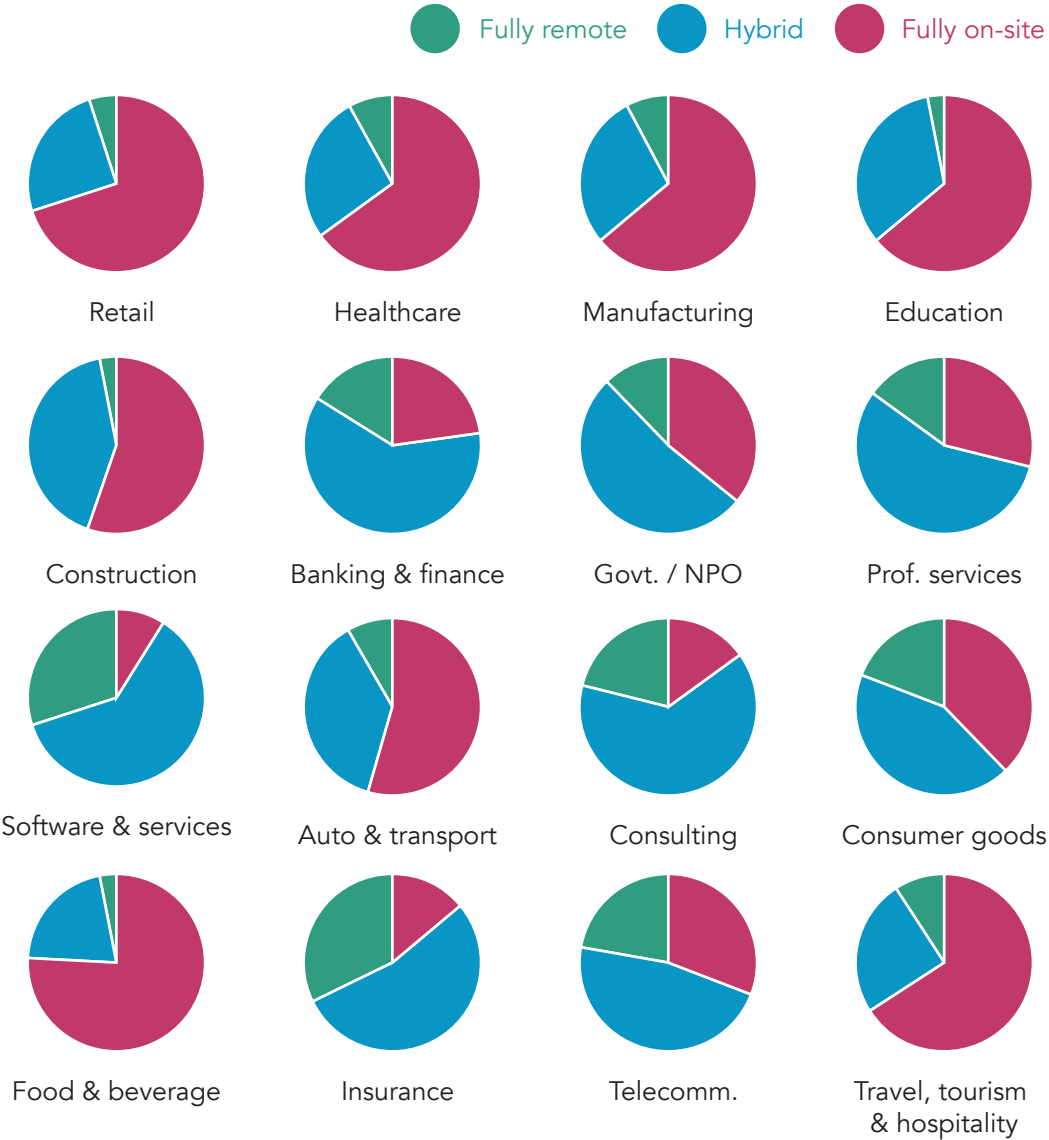
In 2019, we didn't even think to ask the question "What is your way of working?" Now, it's where our investigation begins when trying to understand the employee experience.

The world is settling into a hybrid workplace.

All respondents

2021   2022

48% — Fully on-site — 49%

37% — Hybrid — 40%

15% — Fully remote — 11%

U.K.

50% — Hybrid — 49%
40% — Fully on-site — 43%
10% — Fully remote — 8%

U.S.

54% — Fully on-site — 54%
32% — Hybrid — 33%
14% — Fully remote — 13%

Canada

42% — Fully on-site — 49%
35% — Hybrid — 38%
23% — Fully remote — 13%

Ireland

50% — Fully on-site — 49%
36% — Hybrid — 42%
15% — Fully remote — 9%

From the highest level, the ways employees work haven't changed much from our findings in the Two Years Into COVID report fielded a year ago. However, a slight decrease in remote work could signal a return to the office, especially in Ireland and Canada.

While all industries maintain a hybrid component, some are easier to accommodate than others.

Fully remote · Hybrid · Fully on-site

Retail · Healthcare · Manufacturing · Education

Construction · Banking & finance · Govt. / NPO · Prof. services

Software & services · Auto & transport · Consulting · Consumer goods

Food & beverage · Insurance · Telecomm. · Travel, tourism & hospitality

The rates of different working arrangements vary significantly by industry. On-site work is still the primary arrangement in the retail, healthcare, manufacturing, education and hospitality industries by wide margins. These industries, some of the hardest to adjust to remote ways of working, have looked for ways of mixing in hybrid work. But, after quick shifts to remote work during lockdowns in 2020, they have reverted to mostly in-person work.

Some industries are leaning into a hybrid working model, while others, largely out of necessity, are reverting to pre-COVID work arrangements.

Increased percentage of hybrid and remote

Decreased percentage of hybrid and remote
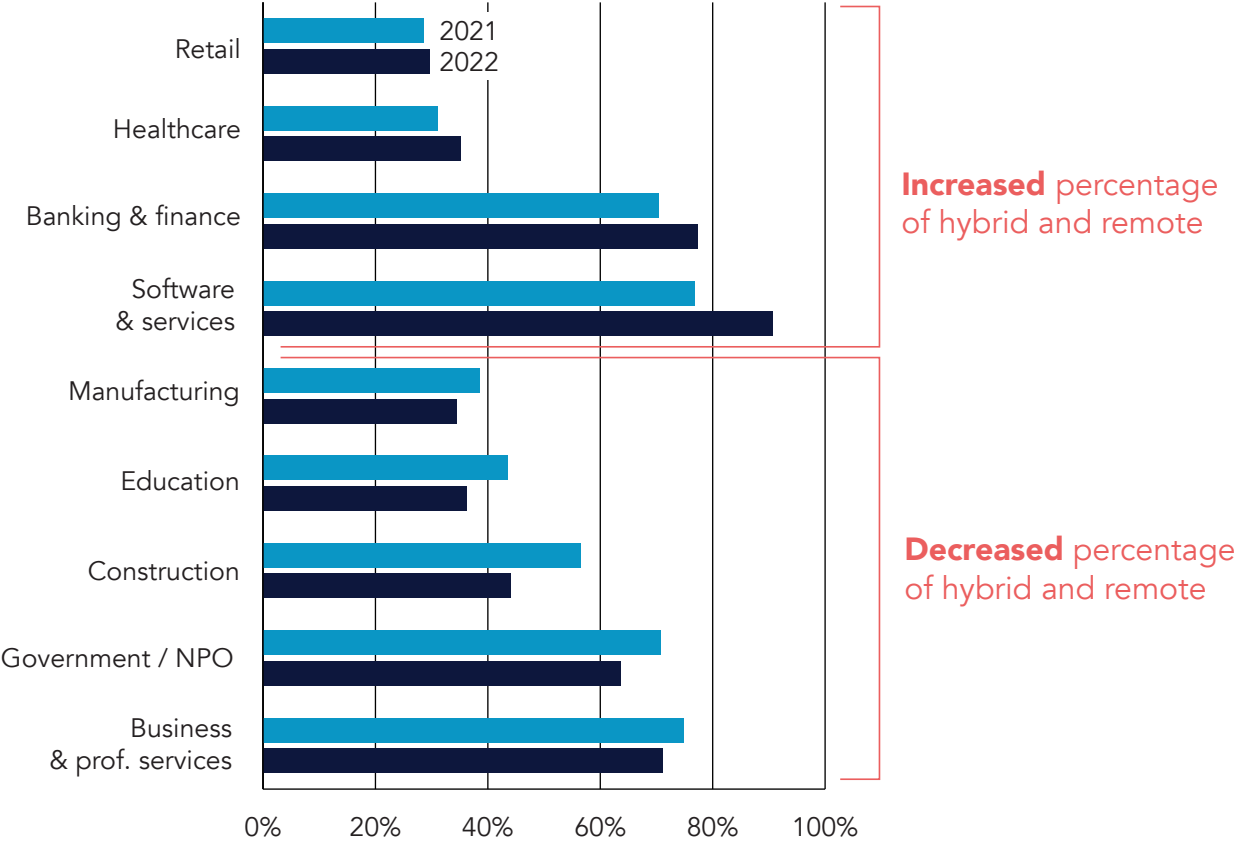
In contrast, banking and finance once again has a majority hybrid workforce (61%), and a third of the software and services workforce is entirely remote. In fact, most tech workers have settled into a permanent hybrid and remote working model.
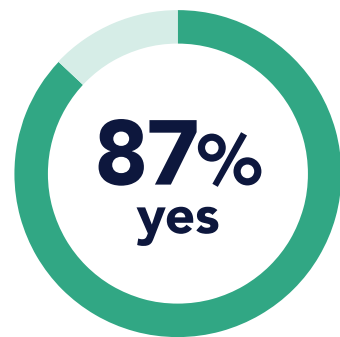
A key indicator for whether an employee is happy with their work arrangement is flexibility.
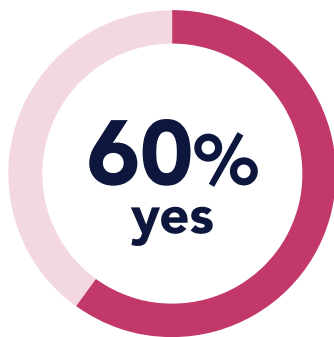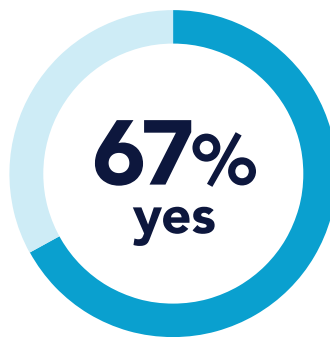
60% yes	**67%** yes	**87%** yes
Fully on-site	Hybrid	Fully remote

"I am satisfied with my work arrangement."

With multiple ways of working, we sought to understand how much autonomy employees have in their work arrangement. Overall, 66% of respondents say their work arrangement is their preference. Senior leaders (74%) were more likely to work in their preferred arrangement, while employees in the beginning stages of their career were less likely (57%).

Remote workers are the most satisfied with their arrangement, followed by hybrid and on-site workers. Nearly one-fourth of on-site workers reported their work arrangement is not their preference.

To understand just how much employees value their respective ways of working, we asked employees what no employer should:

Would you take a pay cut to obtain your preferred work arrangement?

22% yes

Even amid economic uncertainty, nearly one-quarter of respondents said they would be willing to take a pay cut to keep or obtain their preferred way of working.

It's even higher among:

Remote employees
27%

LGBTQIA+ employees
28%

Caretakers
28%

It's also higher in more remote-friendly industries like:

Banking and finance
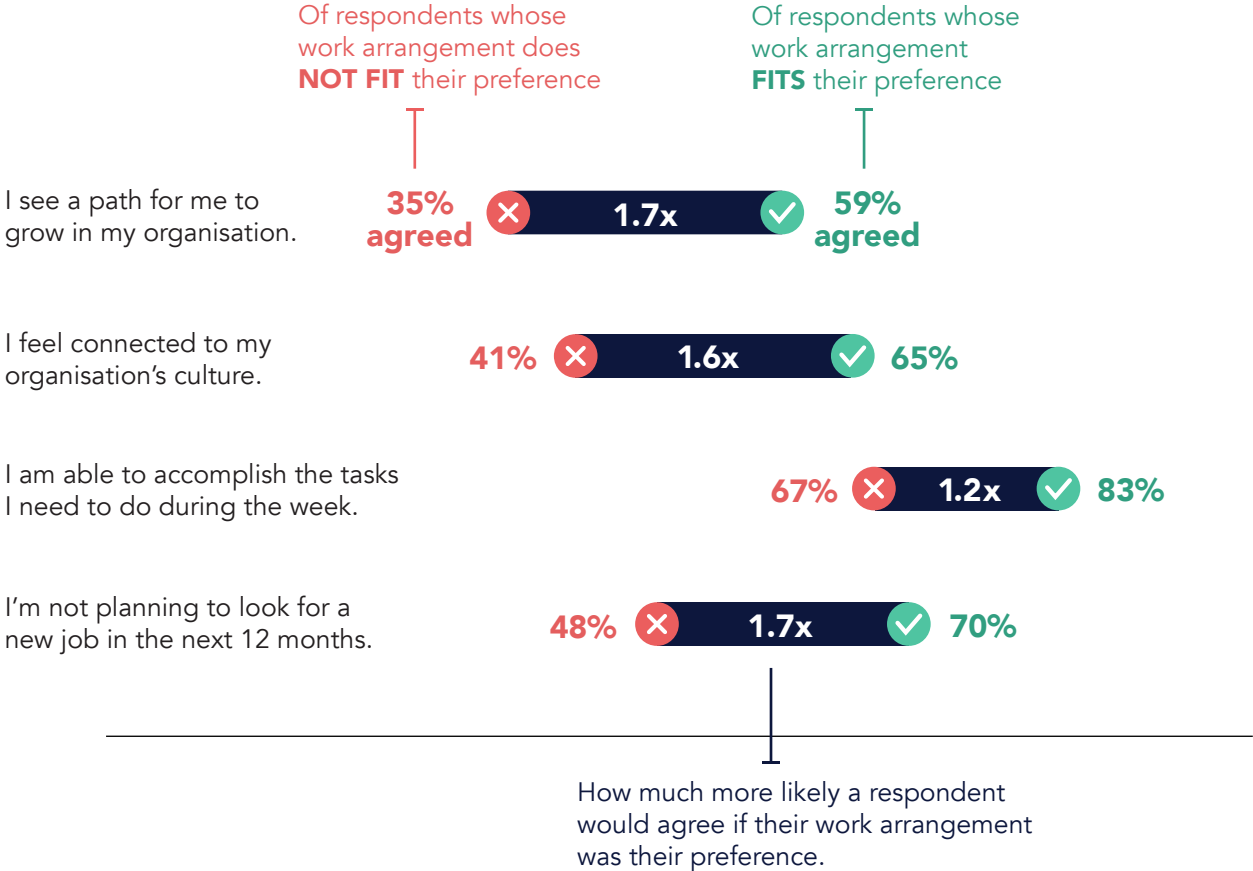27%

Business and professional services
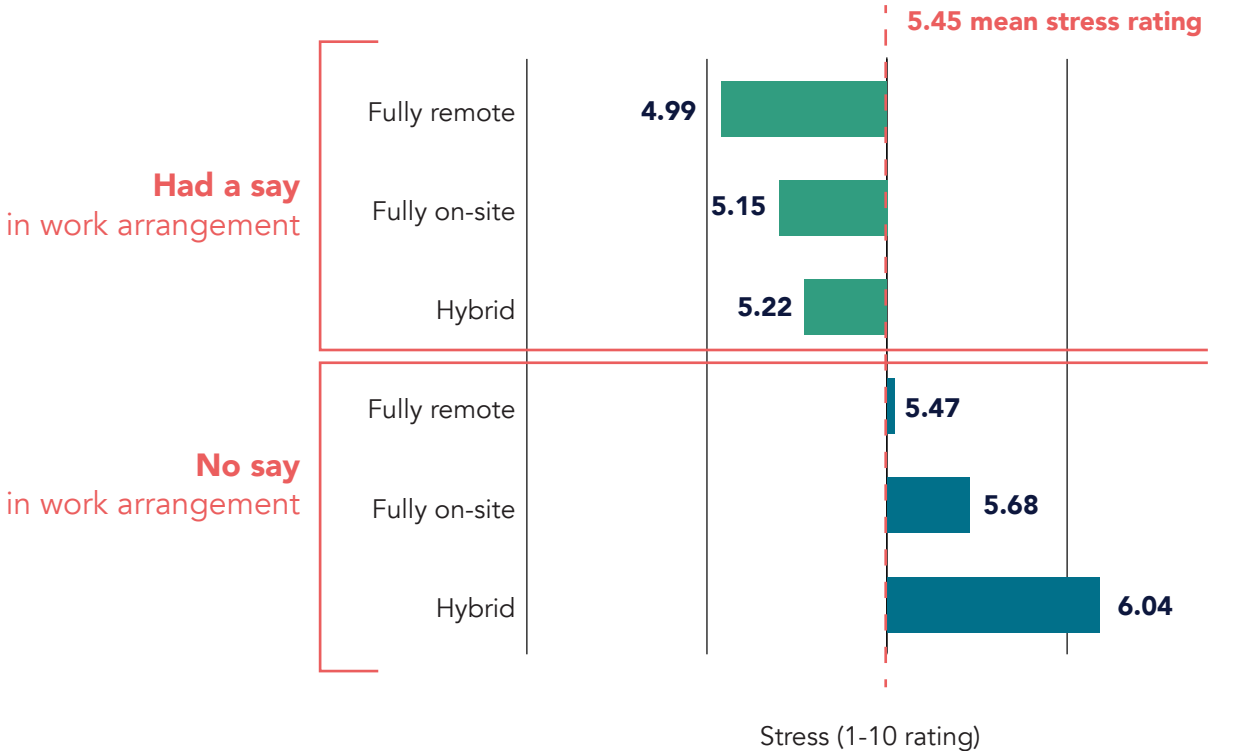29%

Software and services
34%

Consulting
28%

When work arrangement meets employee preference, it's a boon to development, connection, sense of accomplishment and retention.

Of respondents whose work arrangement does **NOT FIT** their preference

Of respondents whose work arrangement **FITS** their preference

I see a path for me to grow in my organisation.

35% agreed ✕ 1.7x ✓ **59% agreed**

I feel connected to my organisation's culture.

41% ✕ 1.6x ✓ **65%**

I am able to accomplish the tasks I need to do during the week.

67% ✕ 1.2x ✓ **83%**

I'm not planning to look for a new job in the next 12 months.

48% ✕ 1.7x ✓ **70%**

How much more likely a respondent would agree if their work arrangement was their preference.

Employee preference shouldn't be brushed aside. The 20% of our survey sample that indicated that their work arrangement is not their preference scored lower on every single positive workplace outcome we studied, most notably connection, productivity and hope for career growth.
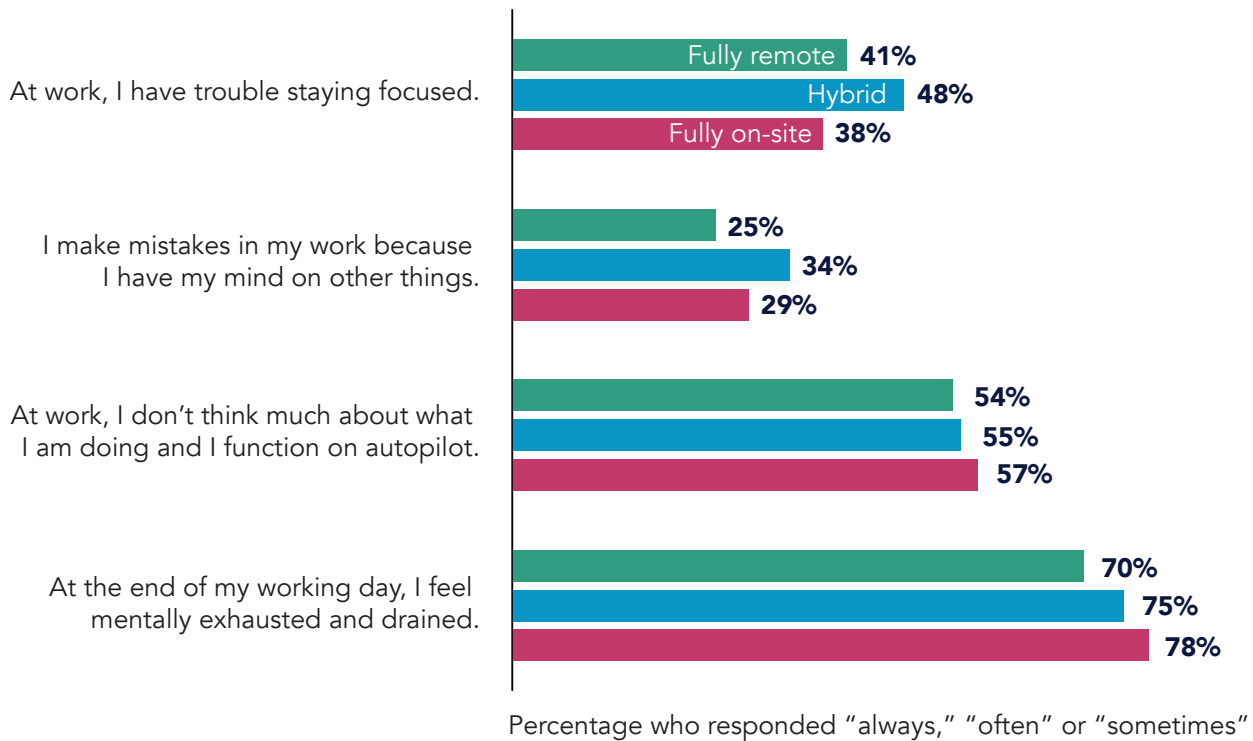
One way to help your employees de-stress – let your employees have a say in how they work.

5.45 mean stress rating

Had a say in work arrangement

Fully remote	**4.99**
Fully on-site	**5.15**
Hybrid	**5.22**

No say in work arrangement

Fully remote	**5.47**
Fully on-site	**5.68**
Hybrid	**6.04**

Stress (1-10 rating)

A say in working arrangement also affected emotional and mental wellbeing. Hybrid workers, but especially those who did not have a say in their work arrangement, had the highest stress levels, while remote workers had the lowest.

Across all ways of working, employees who had a say in their work arrangement had lower stress levels. While more than a third of our survey respondents (35%) did not have a say in their work arrangement, this was much higher (48%) among on-site workers.

Not all burnout in the workplace is experienced the same way.

At work, I have trouble staying focused.
- Fully remote **41%**
- Hybrid **48%**
- Fully on-site **38%**

I make mistakes in my work because I have my mind on other things.
- **25%**
- **34%**
- **29%**

At work, I don't think much about what I am doing and I function on autopilot.
- **54%**
- **55%**
- **57%**

At the end of my working day, I feel mentally exhausted and drained.
- **70%**
- **75%**
- **78%**

Percentage who responded "always," "often" or "sometimes"

Burnout presents in many shades at work. While most employees are functioning on autopilot no matter where they work, hybrid workers have the most trouble staying focused. On-site workers have an easier time with focus but lead the way in feeling mentally exhausted and drained.

The findings are consistent with our Two Years Into COVID report, which uncovered the stress of hybrid work and the specific stress of taking sick time.

"Expectations may be stronger in the hybrid group due to an 'always-on' mentality, whereas fully remote [or in-person] workers may have better established boundaries between work and personal time."

Two Years Into COVID, 2022

These results leave organisations in a tricky situation when trying to accommodate work preferences. There is a duality to hybrid work that simultaneously creates flexibility and stress.

That duality highlights the need to be in tune with employees. Mandating a return to office without employee preference considered could help some employees and stress others by creating that "always-on" feeling.

It is the first (but not the last) indication in this report of the kind of custom, employee-first approach required to improve employee wellbeing and productivity. Tactically, it could mean a flexible work arrangement is a solution for some employees while flexible work hours are a solution for others.

Job insecurity

People leaving their jobs isn't newsworthy. However, the historic rate at which employees were prepared to leave their jobs over the last few years prompted mainstream coverage.

In the spirit of examining the evolution of work, we compared this job seeking rate to our survey data from 2019 to understand the gravity of the increase. That year, across the U.S., U.K., Canada and Ireland, 23% of employees were looking for a new job.

The number of employees looking to change jobs is no longer a blip, an aberration, an outlier or a fluke. It's a trend.

41% yes	37% yes	36% yes	33% yes
U.K.	Ireland	Canada	U.S.
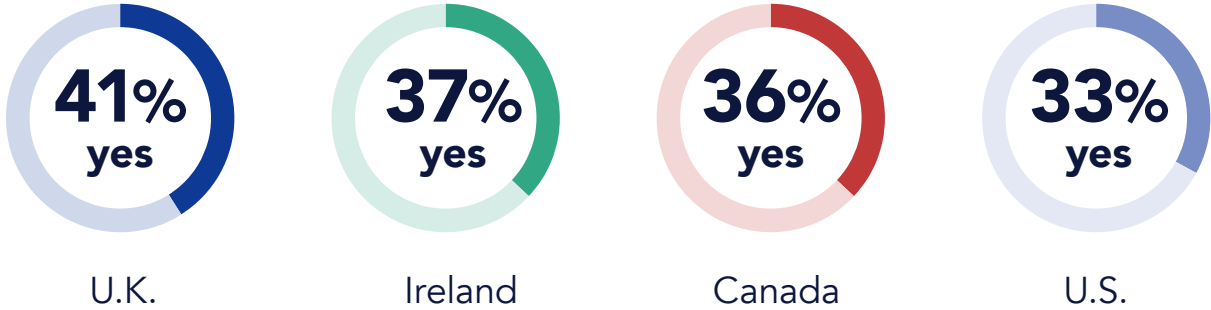
"I am looking for a new role."

In June 2021, the height of the Great Resignation, our survey found 38% of workers planned to look for a job in the next year, an increase of 1.7x in two years. Our latest survey puts the number of people looking for a job at 37%.

Underlying that number are the same sentiments from the last few years: employees underpaid, undervalued and prepared to quit their jobs to find better experiences elsewhere.

It varies slightly by country, but in the U.S., 33% of respondents are looking for a new role, up 1.8x since 2019. In Ireland, 37% of workers are looking for a new job, up 1.4x since 2019. In Canada, it is 37%, up 1.6x from 2019. And in the U.K., a country experiencing a historic cost of living crisis, 41% of employees are looking for a new job, up 1.6x from 2019.

Reasons for wanting a new job

The top three reasons for "why" are the same across all four countries. The number one response by at least 14 percentage points in each country is "My salary is too low."
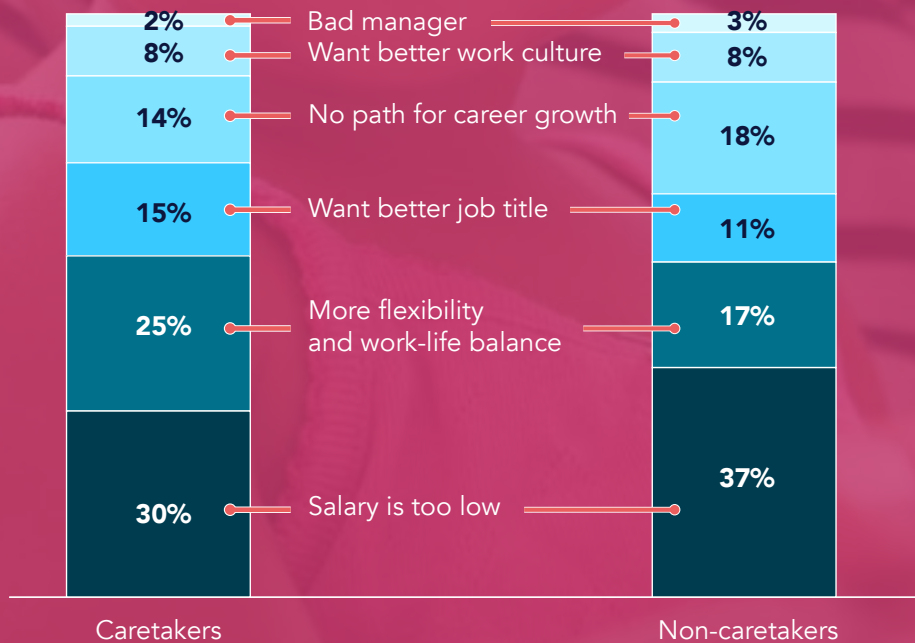
Top reasons for wanting a new job
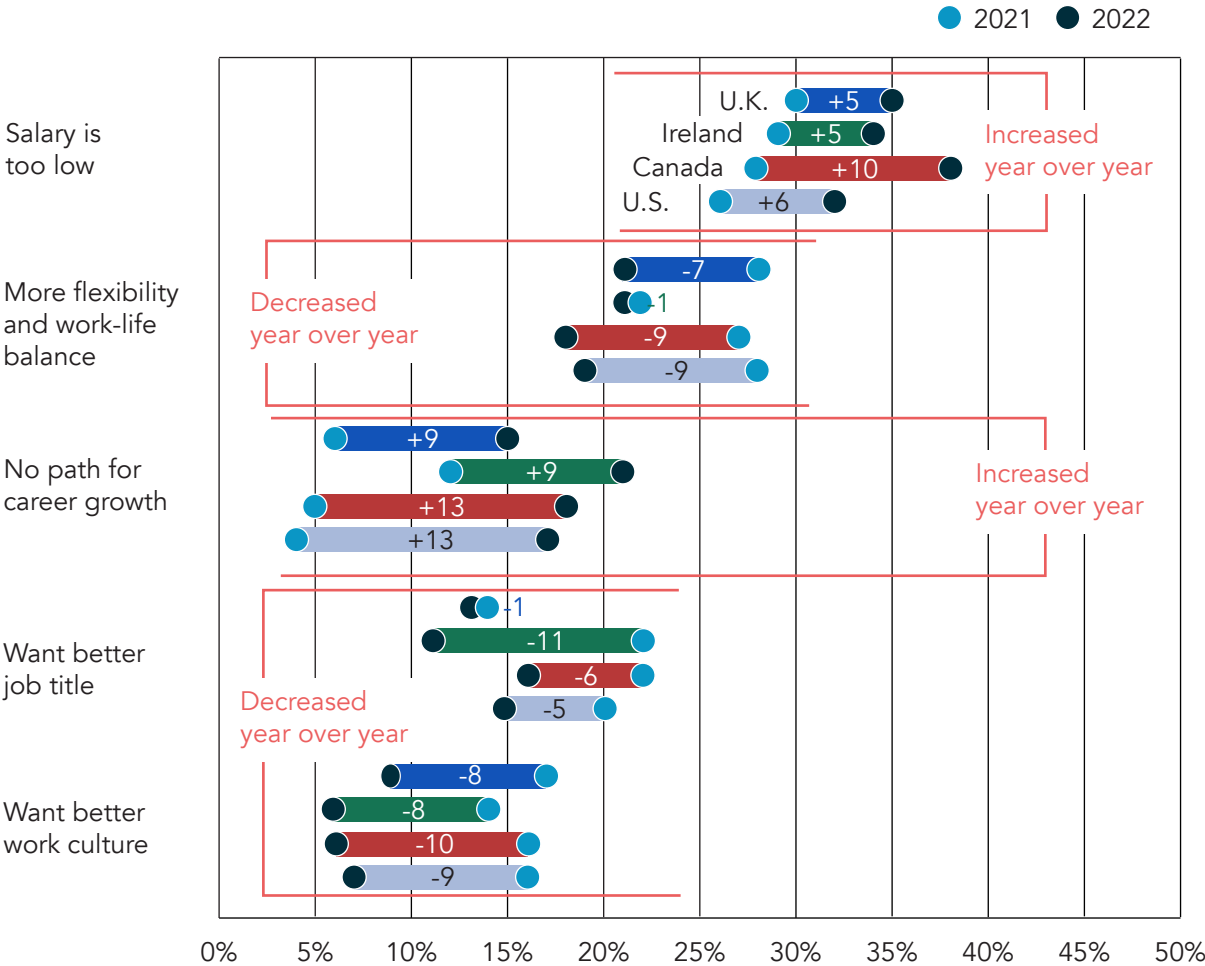
While broadly the rankings are the same as last year, "My salary is too low" and "There is no path for career growth at my current organisation" saw more responses in every country compared to a year ago. It would suggest that, for many looking for a new job, they feel they have hit their ceiling at their current organisation.

A note on caretakers

Overall, "more flexibility" dipped as a reason for why respondents were looking for a new job except with one important group: caretakers. The delta between caretakers, 32% of the sample we surveyed, versus non-caretakers once again displays the various needs of employees depending on their circumstances. By employee group, caretakers are more likely than non-caretakers (43% vs. 34%) to be looking for a new job and fearing the loss of their current one (23% vs. 15%).

Caretakers want higher salaries, too, but more flexibility is nearly as important.

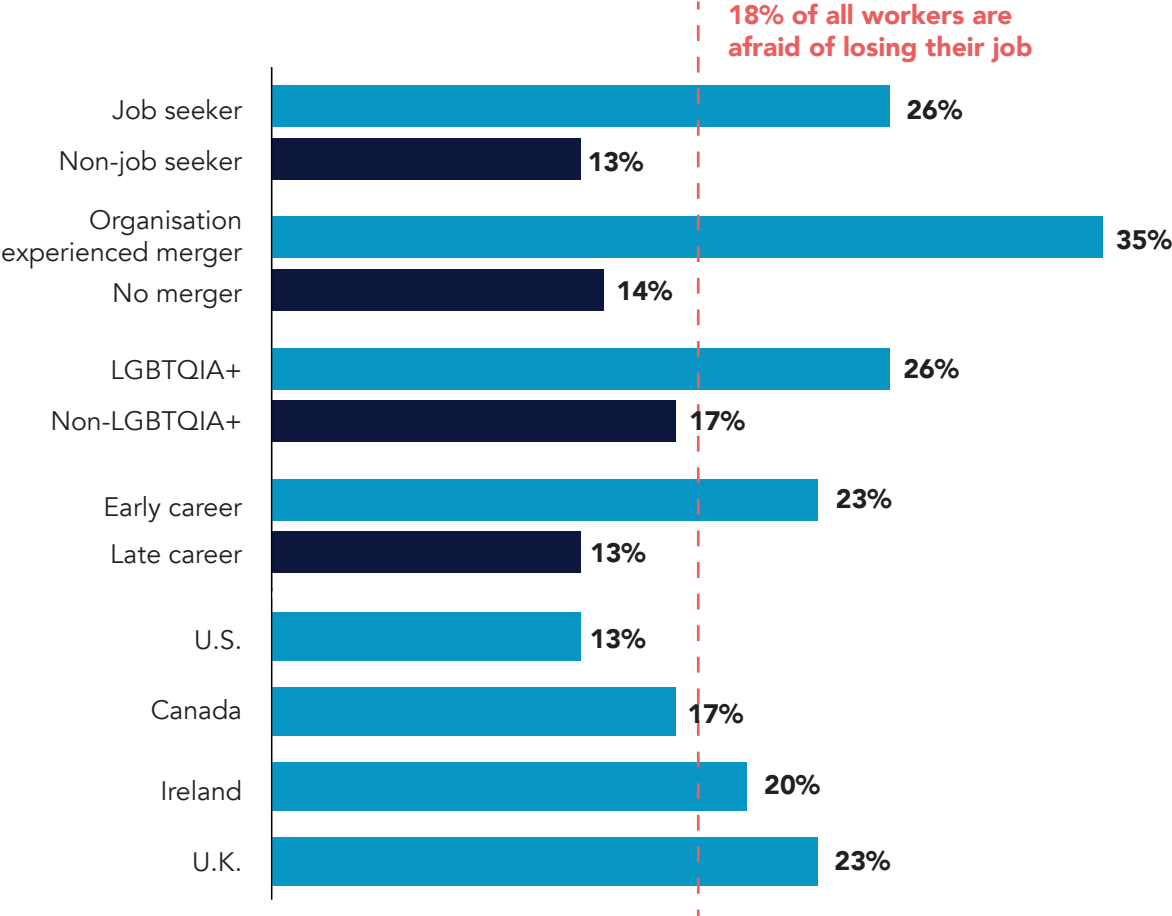|	Caretakers	Non-caretakers
Bad manager	2%	3%
Want better work culture	8%	8%
No path for career growth	14%	18%
Want better job title	15%	11%
More flexibility and work-life balance	25%	17%
Salary is too low	30%	37%

Fear of job loss

Included in the total number of employees looking for a new job are those who fear they might lose the one they have now. Nearly one in five workers responded they are afraid of losing their job in the next year, a number that is surely much higher as layoffs make headlines.

Fear of losing a job is higher among employees who have gone through a merger in the last 12 months (35%), among LGBTQIA+ employees (26%), among workers in the U.K. (23%) and among employees at the beginning stages of their career (23%).

Some employees are particularly stressed about losing their jobs.

18% of all workers are afraid of losing their job

Category	Percentage
Job seeker	26%
Non-job seeker	13%
Organisation experienced merger	35%
No merger	14%
LGBTQIA+	26%
Non-LGBTQIA+	17%
Early career	23%
Late career	13%
U.S.	13%
Canada	17%
Ireland	20%
U.K.	23%

Employees who are afraid of losing their jobs are much more distracted and likely to make mistakes at work.

Afraid of losing my job

Not afraid of losing my job

46%
yes

27%
yes
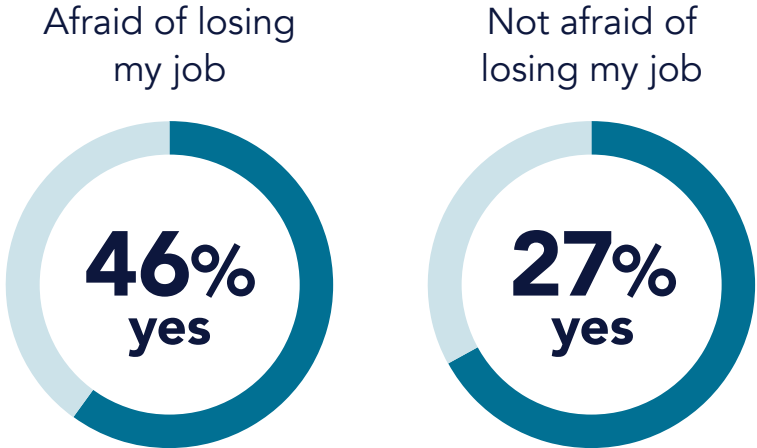
"I make mistakes in my work because I have my mind on other things."

This stressor should be on the radar of all employers as it's a detriment to employees and the business overall. Employers can help reduce stress with transparency, humanity and consistent conversations around the status of the business and workers' contributions to the organisation's mission and goals.
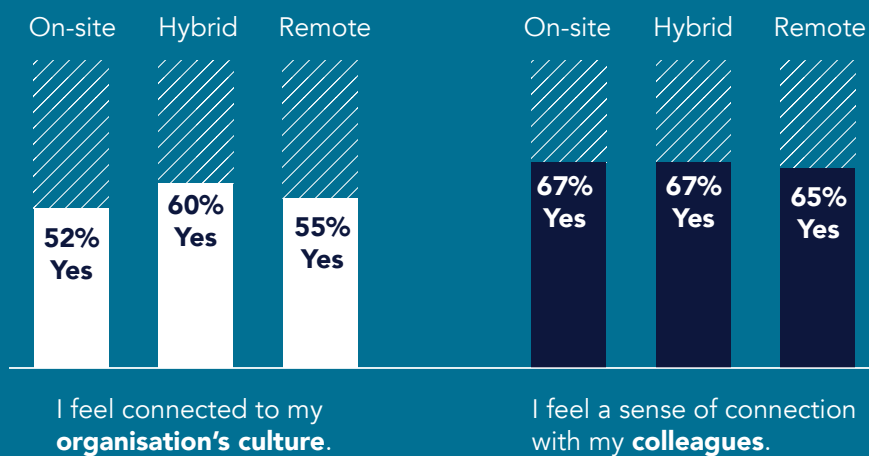
Company culture

We've seen it before, and the story continues in every country and across all ways of working in this survey: Employees feel more connected to their colleagues than their organisation's culture.

That doesn't mean that a company culture is less important, but it does provide clear guidance for any organisation hoping to build a strong culture. Focus on connection.

Employees are more connected to each other than their organisation's culture.

On-site	Hybrid	Remote		On-site	Hybrid	Remote
52% Yes	60% Yes	55% Yes		67% Yes	67% Yes	65% Yes

I feel connected to my **organisation's culture**.

I feel a sense of connection with my **colleagues**.
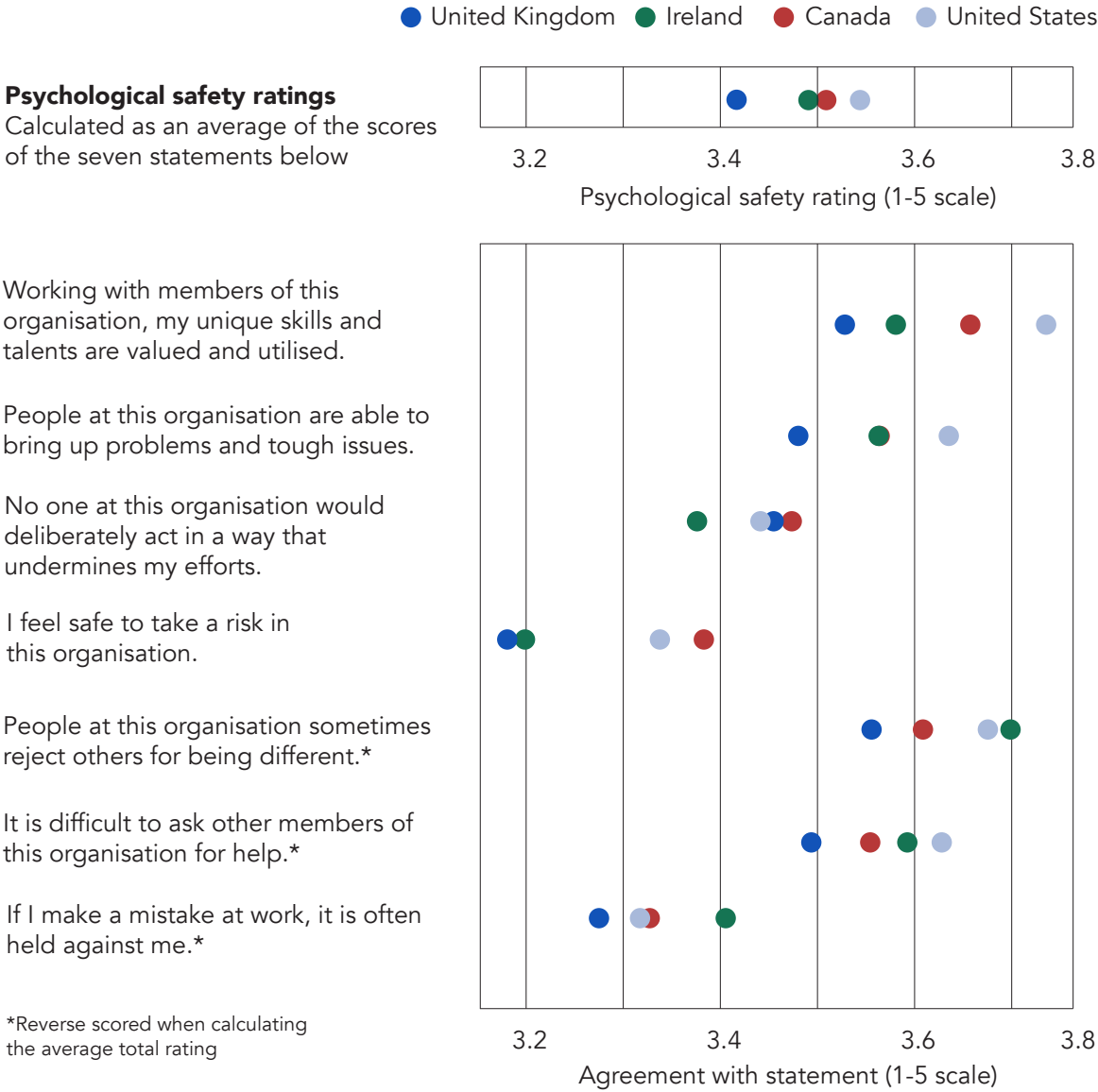
Psychological safety

People are at their best when they feel comfortable being themselves.

At work, that comfort manifests in little moments throughout the day. It's getting input from everyone in a meeting, not just one person. It's the confidence to take a chance or suggest something bold without fear of judgment or repercussions.

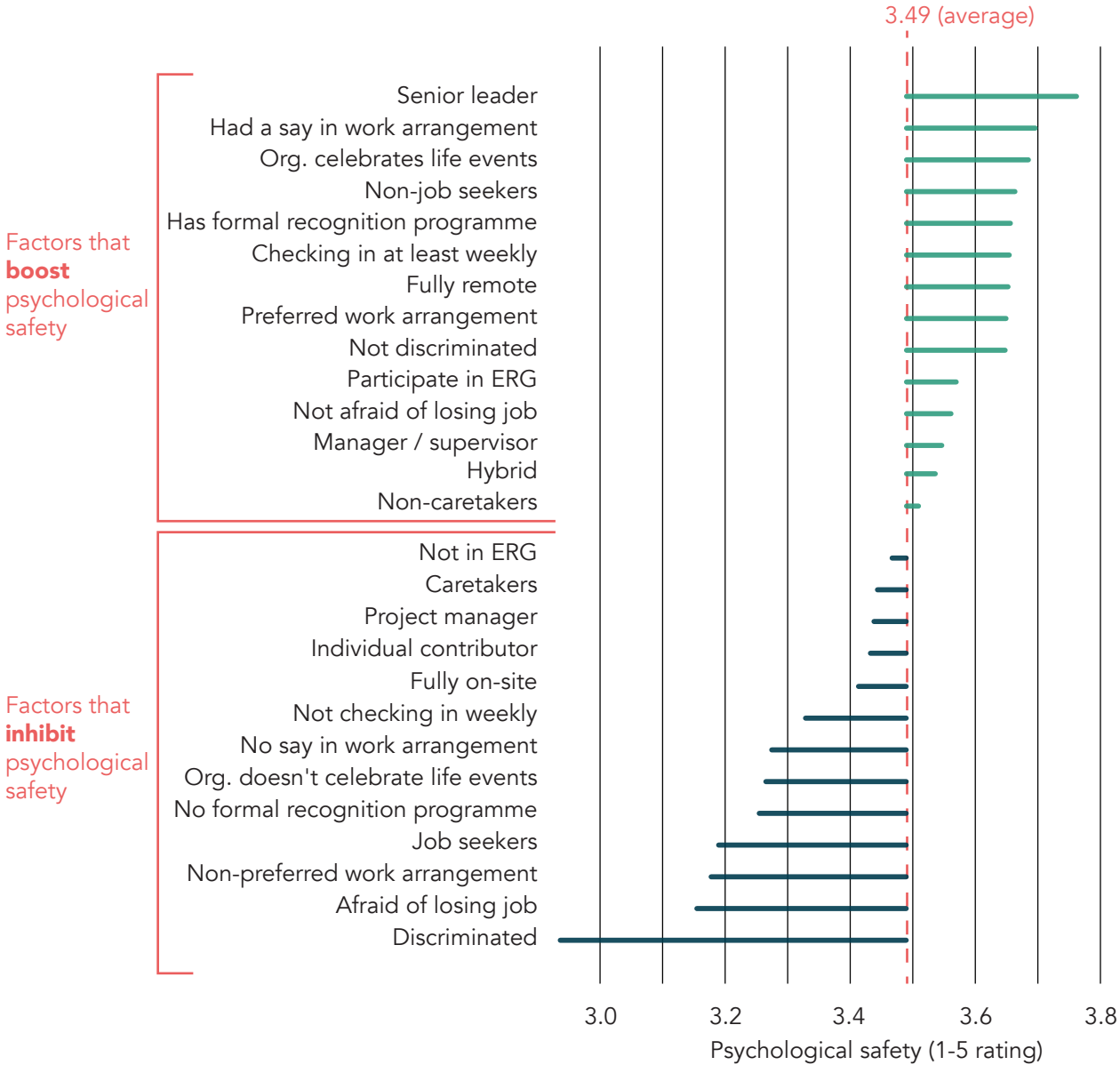At work, we know this feeling as "psychological safety".

Our last three reports have been an expanding exploration into all the factors that influence psychological safety.

Psychological safety is a composition of the employee experience. It varies by environment, by situation and by country.

● United Kingdom ● Ireland ● Canada ● United States

Psychological safety ratings
Calculated as an average of the scores of the seven statements below

3.2 3.4 3.6 3.8
Psychological safety rating (1-5 scale)

Working with members of this organisation, my unique skills and talents are valued and utilised.

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

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

I feel safe to take a risk in this organisation.

People at this organisation sometimes reject others for being different.*

It is difficult to ask other members of this organisation for help.*

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

*Reverse scored when calculating the average total rating

3.2 3.4 3.6 3.8
Agreement with statement (1-5 scale)

On a country level, workers in the United States report feeling the most psychologically safe. Workers in the United Kingdom, where job seeking and fear of job loss are highest, report feeling the least.

What affects psychological safety? These are the most influential positive and negative factors found in our research.

3.49 (average)

Factors that **boost** psychological safety

- Senior leader
- Had a say in work arrangement
- Org. celebrates life events
- Non-job seekers
- Has formal recognition programme
- Checking in at least weekly
- Fully remote
- Preferred work arrangement
- Not discriminated
- Participate in ERG
- Not afraid of losing job
- Manager / supervisor
- Hybrid
- Non-caretakers

Factors that **inhibit** psychological safety

- Not in ERG
- Caretakers
- Project manager
- Individual contributor
- Fully on-site
- Not checking in weekly
- No say in work arrangement
- Org. doesn't celebrate life events
- No formal recognition programme
- Job seekers
- Non-preferred work arrangement
- Afraid of losing job
- Discriminated

3.0 3.2 3.4 3.6 3.8

Psychological safety (1-5 rating)

Across all four countries, the question with the lowest agreement on average is "I feel safe to take a risk in this organisation," a disconcerting finding for any organisation hoping to innovate.

In addition to country-level differences, we have seen in previous reports that psychological safety varies when looking across employment and demographic groups.

As hinted at earlier, when it comes to ways of working, fully remote employees have the highest psychological safety scores, while fully on-site employees have the lowest. Hybrid workers are the most stressed, but they are also more likely to have had a say in their working arrangement, the second most influential factor for psychological safety.

In previous reports, we looked at how psychological safety varies by race/ethnicity. In this global sample, we noticed that Black employees across countries had higher psychological safety scores than white employees. That was a surprise. And it prompted further investigating.

The story of psychological safety is a tale of two employee experiences.
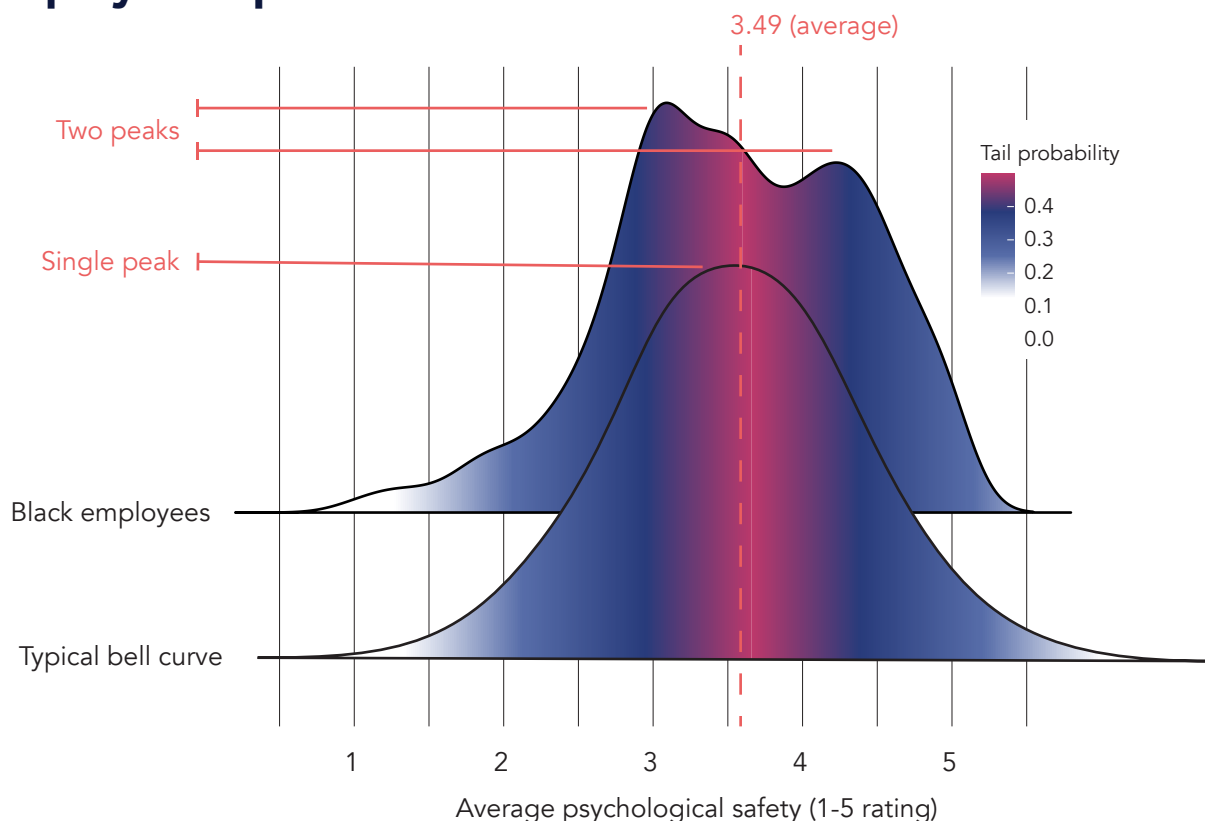
Typically, we find the average distribution at the peak of a bell curve. But here the average is found in the valley between high occurrences of very positive and very negative employee experiences for Black employees.

The bimodal distribution in this sample of Black employees is telling us that the majority of people are not clumping around one average. There are two averages. This would suggest that we cannot lump all Black employees into one average, because there are two distinct groups of people having different average experiences.

Black employees in our survey compared to white employees experience more of the top factors associated with high psychological safety.

	Top 10 influences on psychological safety	Black	White
1.	Senior leader	9%	8%
2.	Had a say in work arrangement	54%	47%
3	Celebrate life events	59%	51%
4.	Not looking for job	59%	68%
5.	Work at an organisation with a recognition programme	64%	53%
6.	Checked in with manager at least weekly	56%	46%
7.	Fully remote	11%	11%
8.	Work in a preferred arrangement	63%	67%
9.	Not discriminated against	71%	81%
10.	Participate in an ERG	30%	17%

When we compared the sample breakdown, we saw that, on average, Black respondents had higher rates of factors that are associated with higher psychological safety compared to white employees.

An encouraging takeaway is the specific tactics organisations can take to improve psychological safety for Black employees. And as we will see, the right practices can improve these efforts. But such varying experiences and a major deviation from our prior research raise questions and warrant further investigation in future reports.

A final takeaway for employers as it relates to psychological safety: How psychologically safe employees feel in your organisation is well within your control. You can influence nearly every one of the top factors associated with high psychological safety. As most organisations would likely agree, they want bold ideas, innovative thinking and employees feeling comfortable at work. Those factors should be made a priority in the day-to-day business operations.

Employee resource groups

Also on the list of positive psychological safety indicators are employee resource groups (ERGs). ERGs are voluntary, employee-led groups that build community and a sense of belonging.

These groups are supported by the organisation as they play a key role in building a culture of inclusion. Their aim is to educate and support employees, address inequities in the workplace and lift up traditionally marginalised employees.

Employee groups with the highest and lowest levels of ERG participation.

Highest participation rates	Lowest participation rates
Individual contributors – **38.6%**	Senior leader – **14.9%**
Black and Hispanic employees – **30% & 29%**	White employees – **17%**
Hybrid workers – **27%**	100% remote workers – **8.7%**
LGBTQIA+ workers – **35%**	Non-LGBTQIA+ workers – **20.4%**
Caretakers – **33%**	Non-caretakers – **14.5%**

Those who participate in ERGs are more engaged in the organisation's culture ...

... but they are also more stressed than the average employee.

Not in ERG **In ERG**

Recommend their organisation to a friend

73%
67%

90%
88%

Know their organisation's values

33%

46%

Highly engaged

Not in ERG **In ERG**

5.41

5.62

Stress rating

Stress (1-10 rating)
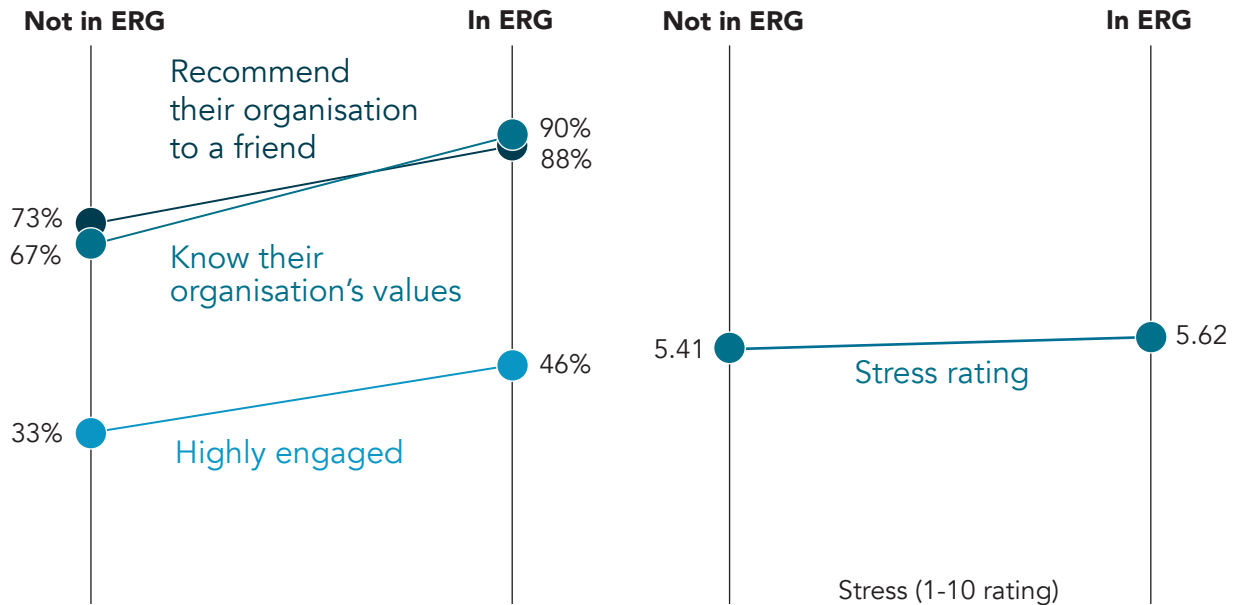
In addition to higher psychological safety, our data shows employees involved in ERGs are also more likely to recommend their organisation to a friend, know their organisation's values and be highly engaged.

But that's not the full story. Employees in ERGs also report higher levels of stress and burnout than those who don't participate. And then there's this: One-third of employees in ERGs report being treated unfairly for their participation in the group. This is a finding that is especially striking as an ERG is meant to be a company-sponsored resource.

Again, we are presented with a tale of two experiences. And again, we plan to continue exploring the experiences of people within ERGs who are taking on extra responsibilities to bring positive change to the workplace.
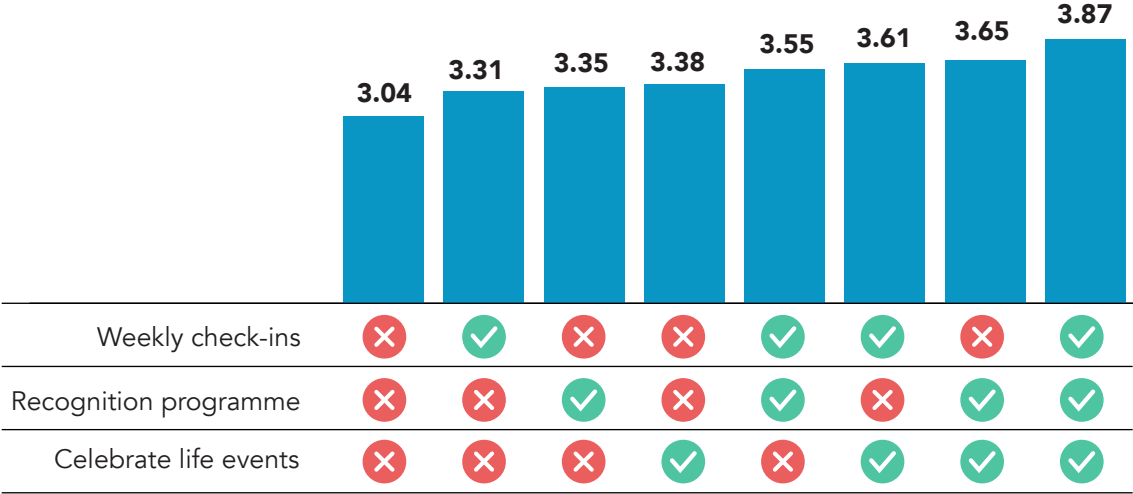
The human workplace

Time and again, our analysis discovered nuances and intersections within employee groups and demographics that punctured the possibility of using one-size-fits-all solutions to workplace culture.

What we found was that the employee experience is at its best when it is tailored to the employee. That requires **listening and understanding** the circumstances of their lives. It means **rewarding and recognising** employees for who they are and what they do. It's **celebrating and acknowledging** them as people.

Organisations can scale these celebrations and acknowledgments by making them part of the standard operation. Three initiatives in particular – recognition, check-ins and life events – quickly embed into an organisation's day-to-day and establish the cadence and connection needed for meaningful outcomes.

Compounding benefits of the human workplace

	3.04	3.31	3.35	3.38	3.55	3.61	3.65	3.87
Weekly check-ins	❌	✅	❌	❌	✅	✅	❌	✅
Recognition programme	❌	❌	✅	❌	✅	❌	✅	✅
Celebrate life events	❌	❌	❌	✅	❌	✅	✅	✅

Cumulative impact of workplace features on psychological safety rating (1-5 scale)

Human workplace = **Employee recognition + Life events + Frequent check-ins**
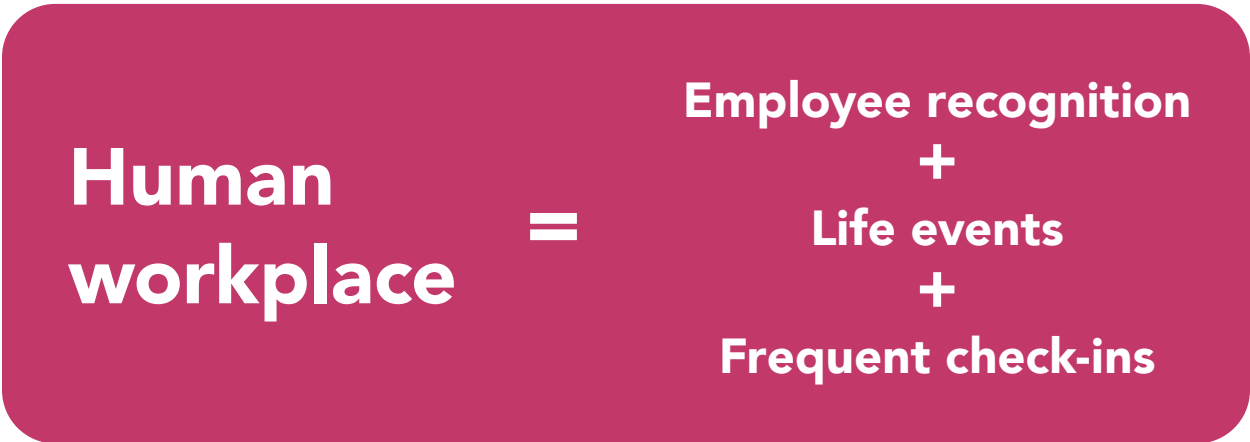
By combining recognition, check-ins and life events, you cultivate what we call the "human workplace".

The human workplace centres on gratitude and communication. It prioritises the psychological safety of employees and celebrates their achievements inside and outside of work. It's not an out-of-the-box solution to every negative in the employee experience, but it steers everyone in the organisation to lead with humanity.

Employee recognition

The first element of a human workplace is a formal recognition programme. Fifty-five percent of employees in our survey report working at an organisation that has one, and they and the company benefit.

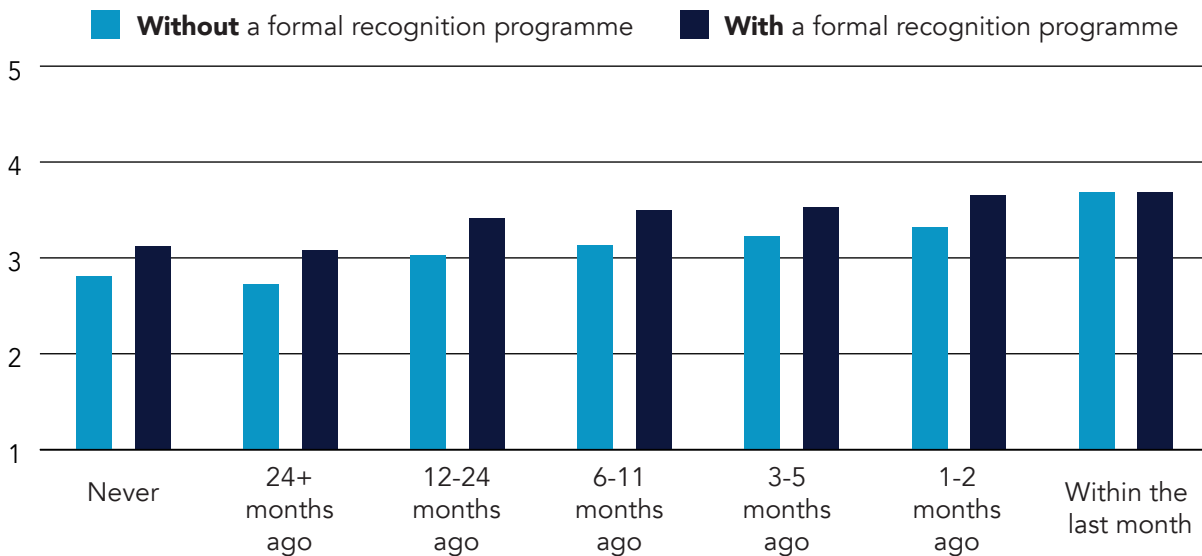Employees who partake in recognition programmes are:

1.5x more likely to feel **connected to their organisation**

1.3x more likely to feel **connected to their colleagues**

1.2x more likely to feel like their **workload is manageable**

1.4x more likely to **recommend their company to a friend**

The more recently an employee has been recognised for their work, the more psychologically safe they feel.

Relationship between recency of recognition and psychological safety rating (1-5 scale)

A recognition programme also results in higher psychological safety scores for employees, especially when it comes to an employee's unique skills being valued and utilised at work.

Returning to ERGs, employees involved in ERGs at companies with a recognition programme are more likely to say their work is visible to the organisation (64.8% vs. 57.4%). Employee recognition has the power to strengthen ERGs because it provides more visibility and appreciation to the people doing the work. Further, it shows that the organisation is in support of these groups' missions.

How employees describe their company culture with and without a recognition programme.
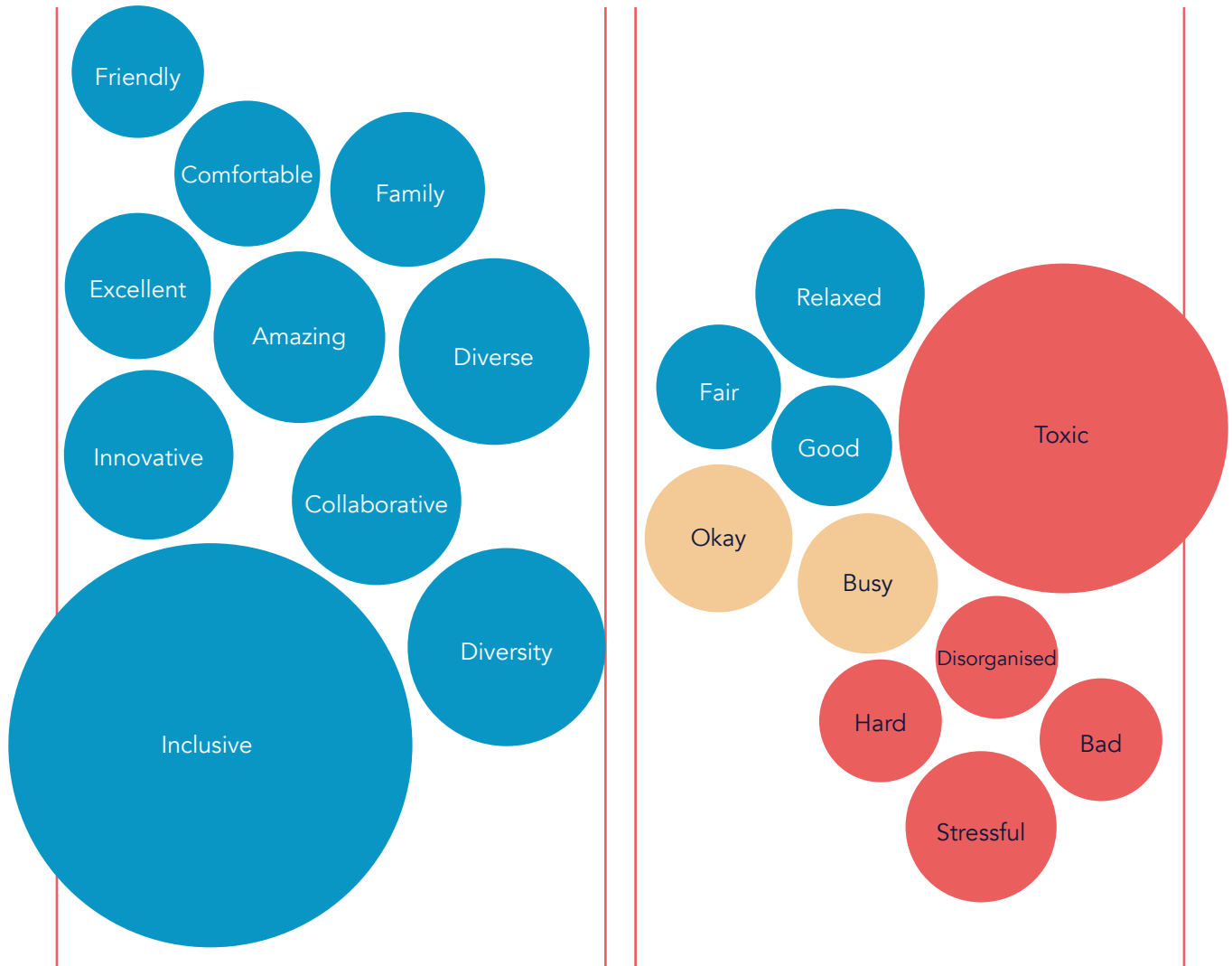
With a recognition programme

Without a recognition programme

In our analysis of recognition, we wanted to explore how it shapes the perception of employees. We asked the respondents to describe their company culture in one word. Then, with the help of the Workhuman Natural Language Processing (NLP) team, we examined the words most often used by those with and without a recognition programme.

What is clear is that the presence of a recognition programme and thus a habitual sharing of appreciation positively affects how employees feel about their organisation.

Our prior research with Gallup points to even more positives. For example, a 10,000-person organisation with an already engaged workforce can save up to $16.1 million in employee turnover costs annually by making frequent recognition part of their culture. In our most recent co-authored report, From Praise to Profits, frequent recognition was related to significant cost savings in productivity ($92M), absenteeism ($3.8M) and safety incidents ($2.8M).

If you're considering implementing a recognition programme for the first time, consider this: Recognition that considers employees' unique preferences is the most impactful kind, but unfortunately, it's not the most common.

Our research with Gallup found only 10% of employees surveyed had been asked how they prefer to be recognised at work.

It's another area where value can be derived from meeting employees where they are and rewarding them in the most meaningful way.

Check-ins

The best way to meet employees where they are is to talk to them. This is especially important for managers. The employee-manager relationship is one of the most pivotal at work. At its best, this relationship prioritises consistent conversations about what's challenging, what's motivating and what's stressing employees out. It's also a powerful way to express support.
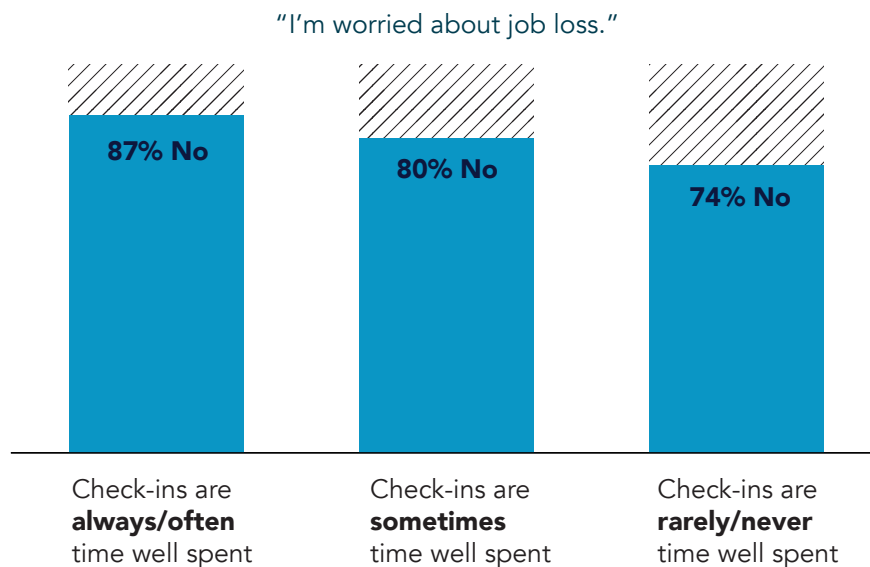
The more frequently employees check in with their managers, the more psychologically safe they feel. In this survey, 49% of the sample say they check in with their manager at least weekly. Of those respondents checking in at least weekly, 43% report being highly engaged, compared to 29% for those who don't.

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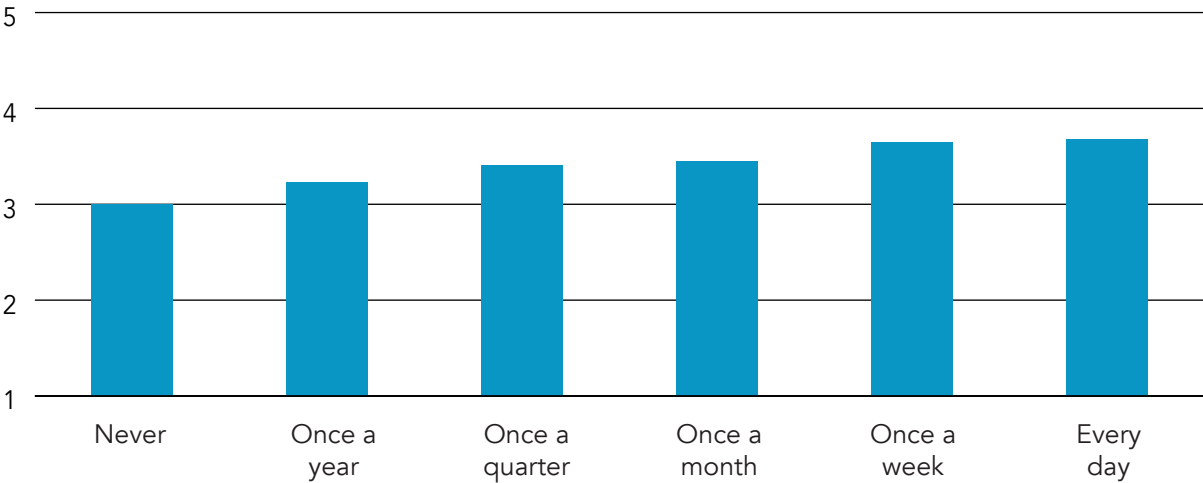
Relationship between frequency of check-ins and psychological safety rating (1-5 scale)

Employees who feel their check-in with their manager was time well spent are less likely to fear losing their job.

"I'm worried about job loss."

Check-ins are **always/often** time well spent	Check-ins are **sometimes** time well spent	Check-ins are **rarely/never** time well spent
87% No	80% No	74% No

And while those findings are positive, it feels like they could be better. A significant portion of respondents (39%) who checked in with their managers regularly said that time was only sometimes, rarely or never well spent. Those respondents were most likely to fear losing their job.

Open communication strengthens every relationship, including those at work. A regular check-in is one of the best ways to know how employees are doing and what managers and the organisation could be doing to give them any support they need.
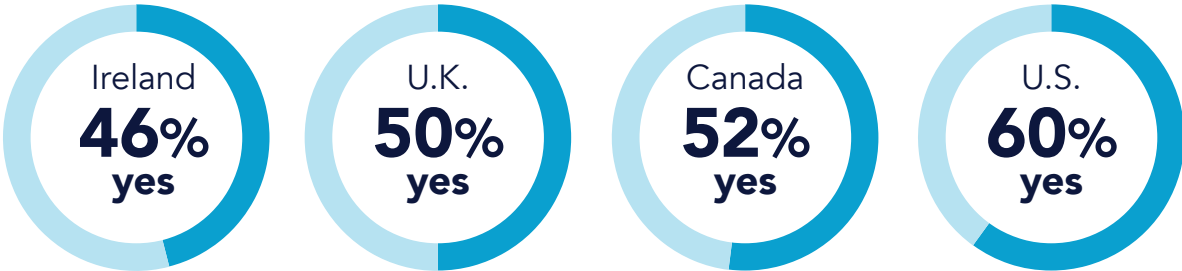
Life events

People are so much more than employees. They can't leave their lives at the door. It's who they are. They move, they get married, they have kids, they run 5Ks and adopt pets.

The most human thing a company can do is acknowledge and celebrate these moments.

More than one-half of our respondents (53%) say their organisation celebrates what we call "life events", an increase of seven percentage points compared to last year (46%).

"My organisation celebrates life events."

Ireland
46%
yes

U.K.
50%
yes

Canada
52%
yes

U.S.
60%
yes

"I wish there were more opportunities to celebrate life events at work with my colleagues."

Ireland
43%
yes

U.K.
44%
yes

Canada
45%
yes

U.S.
44%
yes
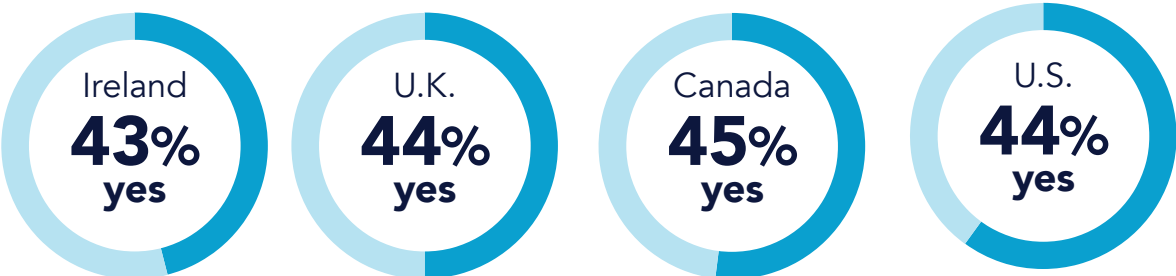
Employers would be wise to make celebrating life events a habit. Employees who work in organisations that celebrate life events have higher psychological safety. They're also more likely to recommend the organisation to a friend (86% vs. 66%) and more likely to be highly engaged (43% vs. 28%).

Despite the advantages, one-third of employees report not celebrating any life events with colleagues over the past year. Fully remote workers more consistently fell into this group, as 45% say they celebrated zero life events vs. 37% of on-site employees and 30% of hybrid employees.

Employees across ways of working, countries and industries are looking for more ways to celebrate the meaningful moments in their lives.

Organisations can play the powerful role of facilitating these celebrations and, along with frequent recognition and check-ins, reap the benefits of a more connected and more human workplace.

Conclusion

Over the last few years, a common refrain has been that "employees now have the power." Which isn't exactly right. If employees had the power, we wouldn't see significant portions reporting that they are underpaid, undervalued, stressed and burnt out.

If employees had the upper hand, we would not see such high rates of discrimination for employees participating in employer-sponsored resource groups. Psychological safety would set new highs and there would be no reason to fear losing a job because of caretaking responsibilities.

What the evolution of work has yielded is not employees in power but **empowered**. For the first time in decades, wide swathes of the workforce are demanding more of their employers. More equity, more empathy, more humanity.

Employers answering that bell and building a human workplace through employee recognition, life events and check-ins are helping create the right conditions for employees to thrive.

To learn more about how the Workhuman Cloud® can help you build a more human workplace, visit workhuman.com.