

September 22, 2022



Work Trend Index

Hybrid Work Is Just Work. Are We Doing It Wrong?

In choppy economic waters, new data points to three urgent pivots for leaders to help employees and organizations thrive.



Illustration by Vanessa Branchi

Months into hybrid work, not everyone agrees on how it's going. Employees and employers are divided.

Employees have embraced flexible work and its benefits and are rejecting a return to hustle culture. At the same time, many leaders yearn for the office life of 2019—hallways abuzz with chatter, coffee overflowing. Add to that what can only be described as one of the strangest recessions the world has ever seen: business leaders must contend with rising inflation, shrinking budgets, and, paradoxically, a [talent marketplace](#) that remains incredibly tight.

Now more than ever, it's the job of every leader to balance employee interests with the success of the organization, aligning everyone around the most impactful work. One thing is clear: "Thriving employees are what will give organizations a competitive advantage in today's dynamic economic environment,"

according to Satya Nadella, Chairman and CEO, Microsoft. And, creating a culture and employee experience to meet the needs of today's digitally connected, distributed workforce requires a new approach.

To help, we surveyed 20,000 people in 11 countries and analyzed trillions of Microsoft 365 productivity signals, along with LinkedIn labor trends and Glint People Science findings. The data points to three urgent [pivots](#) for leaders to drive alignment and empower people for the new ways we work. Because when [employees thrive](#), organizations flourish.

Findings

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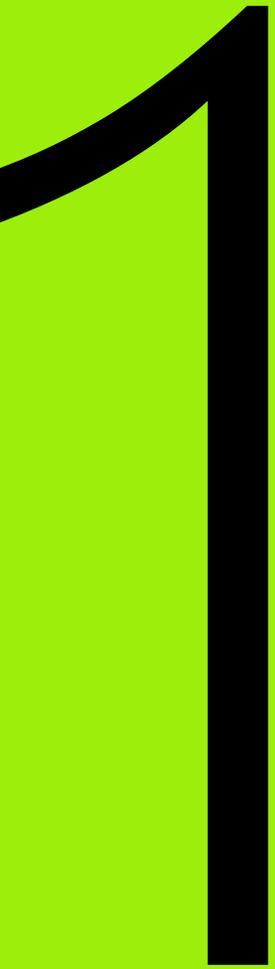
End productivity
paranoia

2

Embrace the fact
that people come
in for each other

3

Re-recruit your
employees



End productivity paranoia

85%

of leaders say the shift to hybrid work has made it challenging to have confidence that employees are being productive.

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People are working more than ever, while leaders—already worried by signals of [macroeconomic decline](#)—are questioning if their employees are being productive. The majority

of employees (87%) report that they are productive at work, and productivity signals across Microsoft 365 continue to climb. [This spring](#), we found that the number of meetings per week had increased by 153% globally for the average Microsoft Teams user since the start of the pandemic, and there is still no indication that this trend has reversed,

suggesting this peak could become the new baseline. On top of an already high meeting load, overlapping meetings (being double-booked) increased by 46% per person in the past year. And users are flooded with meeting invites—even as the overall meeting acceptance rate has remained fairly steady (growing by only 3%), declines and tentative RSVPs have soared in the past two years (84% and 216% growth, respectively). The strain is clear: in an average week, 42% of participants multitask during meetings by actively sending an email or ping—and that doesn't include practices like reading incoming emails and pings, working in non-

meeting files, or web activity.

At the same time, 85% of leaders say that the shift to hybrid work has made it challenging to have confidence that employees are being productive. And as some organizations use technology to track activity rather than impact, employees lack context on how and why they're being tracked, which can undermine trust and lead to "[productivity theater](#)." This paradox has led to productivity paranoia: where leaders fear that lost productivity is due to employees not working, even though hours worked, number of meetings, and other activity metrics have increased.

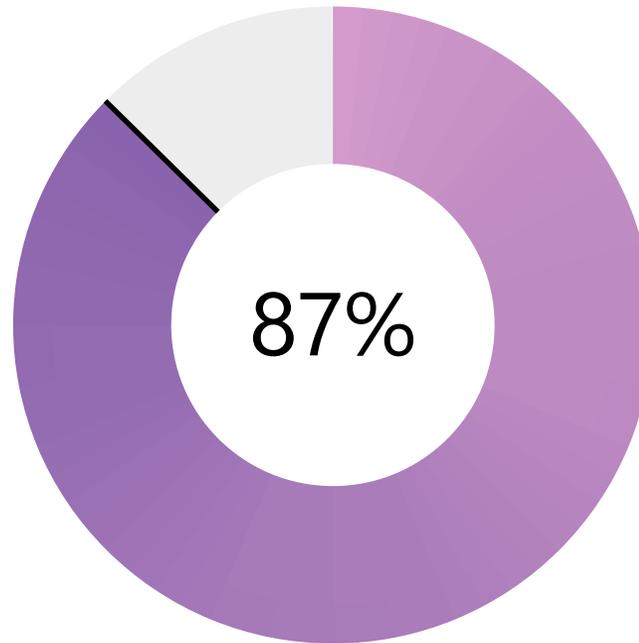
Productivity Paranoia

The disconnect between how much people say they are working and how much leaders think they are working is stark.

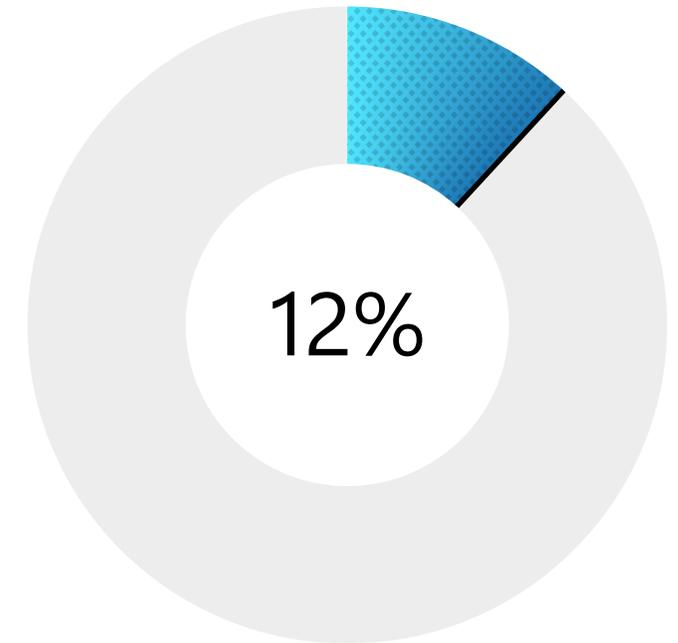
Survey respondents were asked, "On a typical day, how much do you agree or disagree with the following? 'I feel productive when I work.'" Survey respondents in a leadership role were asked, "How much of a challenge is the following when thinking about new changes brought about by the shift to hybrid work? 'Having confidence that my employees are being productive.'"

Illustration by Valerio Pellegrini

Employees
report they are productive
at work



Leaders
say they have full confidence their
team is productive



Many leaders and managers are missing the old visual cues of what it means to be productive because they can't "see" who is hard at work by walking down the hall or past the conference room. Indeed, compared to in-person managers, hybrid managers are more likely to say they struggle to trust their employees to do their best work (49% vs. 36%) and report that they have less visibility into the work their employees do (54% vs. 38%). And as employees feel the pressure to "prove" they're working, digital overwhelm is soaring.

Productivity paranoia risks making hybrid work unsustainable. Leaders need to pivot from worrying about whether their people are working *enough* to helping them focus on the work that's *most important*. 81% of employees say it's important that their managers help them prioritize their workload, but less than a third (31%) say

their managers have ever given clear guidance during one-on-ones. Solving this issue needs to start at the top: 74% of people managers say more guidance on prioritizing their own work would help their performance, and 80% say they'd personally benefit from more clarity from senior leadership on impactful priorities.

48% of employees and 53% of managers report that they're already burned out at work, so prioritization must go beyond simply reordering an overflowing to-do list. Leaders need to create clarity and purpose for their people, aligning work with the company mission and team goals. And defining what work doesn't matter is just as important as defining what does—in a world where everything is important, nothing is. We've reached a point of diminishing returns due to overwork and overwhelm—if leaders don't

Clarity is key in a distributed work world

Employees who report having clarity on their work priorities are:

3.95x as likely to say they plan to stay at the company for at least two years

7.1x as likely to say they rarely think about looking for a new job

4.5x as likely to say they're happy at their current company.

Source: Glint, 2022

intervene, they put productivity in jeopardy.

Showing employees that you care requires creating a continuous feedback loop—listening and taking action consistently. Only 43% of employees can confidently say their company solicits employee feedback at least once a year—meaning over half of companies (57%) may rarely, if ever, ask and hear about their employees' experience at work. And even if their company is collecting feedback, 75% of employees (and 80% of managers) think it's not often enough, and 75% of business decision makers say it's not actionable enough. In an era of ongoing volatility, timely, actionable employee insights are critical to gaining and maintaining a competitive edge. To ensure that decisions are driven by the most up-to-date information, leaders need

to consistently take a pulse on how their employees are doing.

Closing the feedback loop is key to retaining talent. Employees who feel their companies use employee feedback to drive change are more satisfied (90% vs. 69%) and engaged (89% vs. 73%) compared to those who believe their companies don't drive change. And the employees who don't think their companies drive change based on feedback? They're more than twice as likely to consider leaving in the next year (16% vs 7%) compared to those who do. And it's not a one-way street. To build trust and participation in feedback systems, leaders should regularly share what they're hearing, how they're responding, and why.

Take action

- Set [goals like OKRs](#) to ensure that employee work aligns with company goals. Also, [establish NO-KRs](#), or what employees should *not* do in order to get the most critical work done.
- Create and reinforce a culture that rewards employees' impact, not just activity, or risk people [LARP-ing their jobs](#).
- Collect employee feedback regularly at organizational, departmental, and team levels to keep a pulse on your people—and empower managers and leaders to actively listen, coach, and make better decisions to improve the overall performance and wellbeing of their teams.



Embrace the fact
that people come in
for each other

73%

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he return to the office has been a struggle at many organizations—with some employers rolling back plans after one-size-fits-all policies failed to generate a great return. So how can

leaders inspire people to prioritize in-person time together? The data shows that people come in for each other to recapture what they miss: the social connection of being with other people. In other words: rebuilding social capital can be a powerful lever for bringing people back to the office.

While 82% of business decision makers say getting employees back to the office in person is a concern in the coming year, the fact is that people now expect flexibility and autonomy around how, when, and where they work. Policy alone will not reverse this reality: 73% of employees and 78% of business decision makers say they need a better reason to go in than just company expectations. While a less certain job market may motivate some employees to spend more time in the office, a more lasting, effective approach requires concerted efforts to rebuild social capital. Organizations that

fail to use in-person time to rebuild and strengthen team bonds may risk losing out on attracting and retaining top talent.

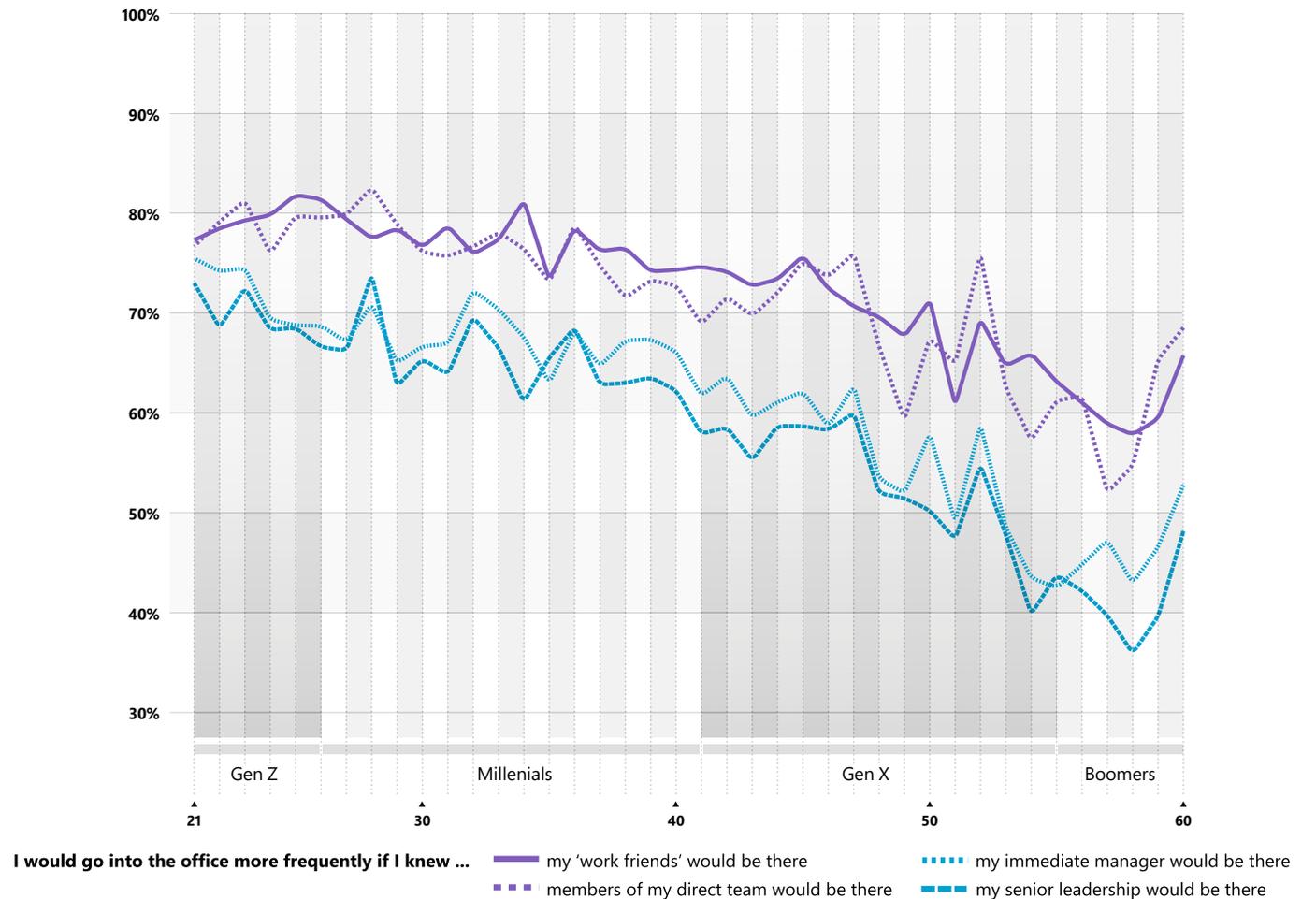
The data reveals a better way to bring people back together to engage and energize them. Connecting with colleagues is a key motivation for working in person. 84% of employees would be motivated by the promise of socializing with co-workers, while 85% would be motivated by rebuilding team bonds. Employees also report that they would go to the office more frequently if they knew their direct team members would be there (73%) or if their work friends were there (74%).

Social Connection Is Worth the Commute

Workers say they are even more interested in going into the office for their friends and peers than for managers and leadership.

Survey respondents were asked, "As an employee who is working in a hybrid environment, how much do you agree or disagree with each of the following statements?" Note: Sample sizes for individual ages are unequal but statistically significant to allow for comparisons.

Illustration by Valerio Pellegrini



Authenticity Matters

We asked employees about how an authentic—open, honest, empathetic—manager impacted them. Here's what they said:

Employees **with an authentic manager** are:

- more inclined to go into the office for 1:1s with them (82%, or +25ppts)
- slightly more open to working in person (1.80 days vs. 1.66 days on average)
- more likely to meet at least weekly (60%, or +16ppts)
- more likely to discuss their wellbeing/mental health in their 1:1s (32%, or +14ppts)

Employees **without an authentic manager** are:

- less motivated to go into the office
- more likely to disagree they're given flexibility (44% disagree, or +32ppts)
- more likely to agree that they face challenges to learning and development, especially that it's not a priority for their manager (65%, or +19ppts) and senior leadership (63%, or +16ppts)

Younger people are especially keen to use the office to establish themselves as part of their workplace community and feel more connected to their co-workers: younger generations are particularly looking to connect with senior leadership (78% of Gen Z and Millennials vs. 72% Gen X and older) and their direct managers in person (80% Gen Z and Millennials vs. 76% Gen X and older). Gen Z is also particularly motivated by working in person to see their work friends (79% vs. 68% of Gen X and older).

The desire among employees to reconnect with co-workers dovetails nicely with a powerful organizational need: to rebuild social capital. 68% of business decision makers say that ensuring cohesion and social connections within teams has been a moderate/major challenge due to the shift to hybrid work. Employees are feeling this acutely, with

roughly half saying their relationships outside their immediate work group have weakened (51%) and that they feel disconnected from their company as a whole (43%).

The office can't be the only answer—technology plays a critical role in creating connection wherever, whenever, and however people work. And communication is crucial to keeping everyone engaged and informed: according to nearly all business decision makers (96%) and employees (95%), effective communication is among the most critical skills they'll need in the year ahead. And communication will need to be authentic, not just informative. Employees list authenticity as the #1 quality a manager can have in supporting them to do their best work (85%), and 83% of business decision makers say it's important for their senior leadership to show up authentically.

Take action

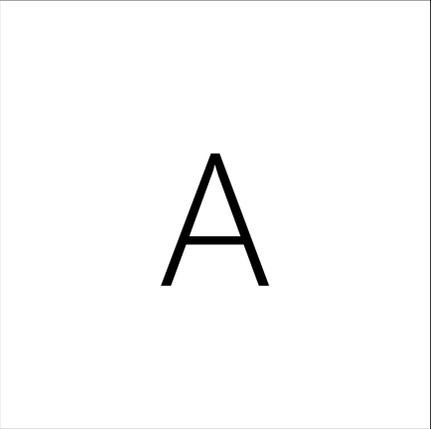
- Use in-person time to help employees rebuild team bonds and networks.
- Build a digital employee experience to help employees stay connected to each other, to leadership, and to the company culture no matter where they're working.
- Create digital community with modern communication tools to fuel conversation, empower people to express themselves, and connect leadership and employees.

3

Re-recruit your employees

76%

of employees say they'd stay at their company longer if they could benefit more from learning and development support



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mid macroeconomic headwinds, now is the time for every organization to re-recruit, re-onboard, and re-energize employees. And the data shows if people can't learn and grow, they'll

leave. As employees embrace a new "worth-it" equation, they're increasingly turning to job-hopping, the creator economy, side hustles, and entrepreneurship to achieve their career goals. And in a still-tight labor market, leaders who were hoping for the tide to turn have so far been disappointed. Rather than ignore or fight these trends, the best leaders will

prioritize learning and development to help both people and the business grow.

Younger generations are the most likely to aspire to be their own boss, with 76% of Gen Z and Millennials saying that this is a goal, versus 63% of those who are Gen X and older. These younger generations are also more likely to say that they'd stay at their current company longer if the company gave them the flexibility to pursue side projects or businesses for additional income (77% vs. 66%). And this spring, 52% of Gen Z and Millennials reported they were likely to consider changing jobs within the next year. Employers can't ignore this next wave of the workforce: in the US

alone, Gen Z employees are [projected](#) to make up approximately 30% of the workforce by 2030. And on LinkedIn, Gen Z employees are transitioning jobs at a faster pace than other generations, up 22% in the past year (far exceeding Millennials, whose job transition rate dropped by 1% in the same timeframe).

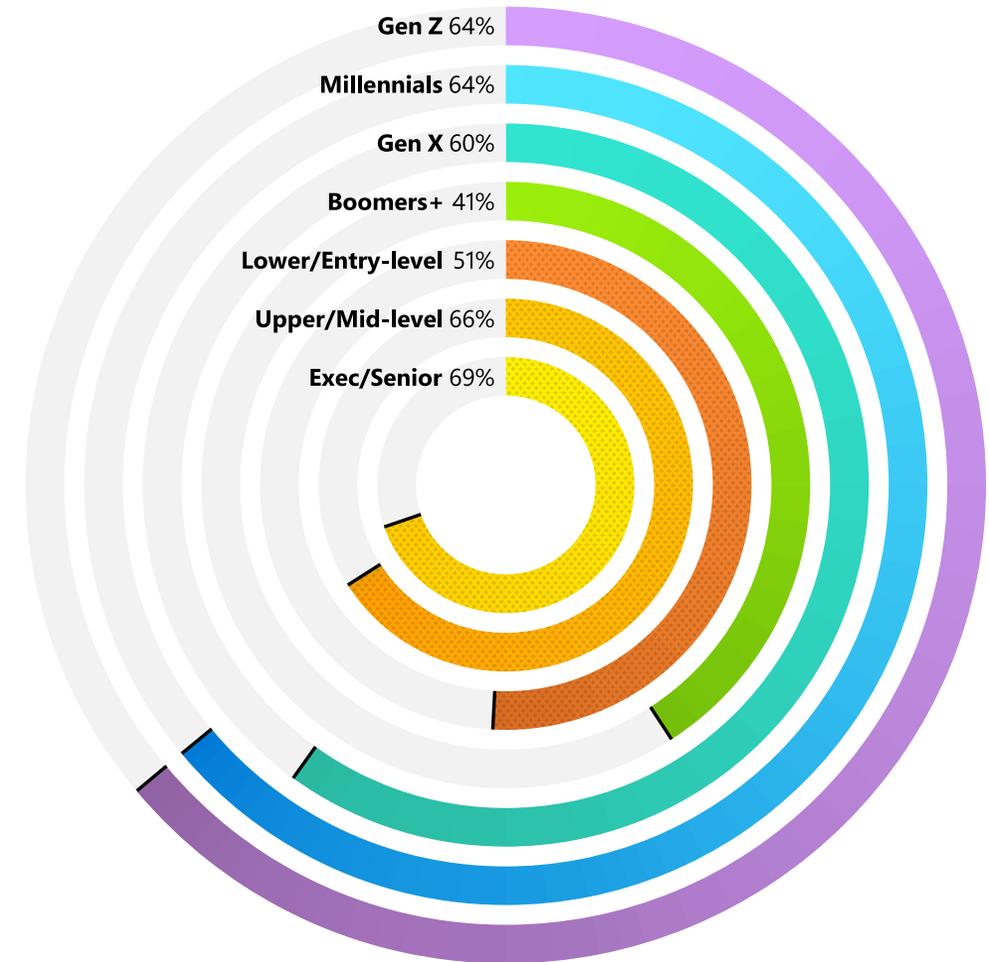
Across the workforce, employees are hungry for growth opportunities: 56% of employees and 68% of business decision makers say there are not enough growth opportunities in their company to make them want to stay long term. And many employees believe that learning requires leaving: 55% say the best way for them to develop their

If People Can't Learn, They'll Leave

Many workers feel that they need to leave a company to develop their skills.

Survey respondents were asked: "How much do you agree or disagree with the following when you think about your future career? 'The best way for me to develop my skills is by changing companies.'"

Illustration by Valerio Pellegrini



skills is to change companies. That sentiment increases as people rise through the ranks at their company, climbing from 51% among lower- and entry-level workers to 66% among upper- and mid-level managers, and 69% among executives. Making it easier for employees to find their next growth opportunity inside the company seems obvious, but the data shows organizations aren't prioritizing internal mobility enough.

2 out of 3 employees say they would stay longer at their company if it were easier to change jobs internally (68% overall, 73% Gen Z, 73% Millennials, 65% Gen X). That rises to 3 in 4 for people managers (75%) and business decision makers (77%), revealing a powerful retention tool for your leadership layer. This focus on long-term growth and skill development may explain why 68% of

employees and 77% of business decision makers say they would rather make a lateral move that offers new skills than a vertical move that is more senior but has fewer learning and growth opportunities.

The connection between learning and retention is clear: 76% of employees say they'd stay at their company longer if they could benefit more from learning and development support. The numbers rise even higher for business decision makers (+7). In fact, employees consider opportunities to learn and grow as the #1 [driver of great work culture](#), a jump from 2019 when it was ranked #9. So taken as a whole, prioritizing employee learning and growth presents a winning retention formula for organizations—or, alternately, if neglected, could pose an existential threat.

Take action

- Make learning and growth core to the employee experience—that means bringing the right resources and learning experiences into the flow of work to close the skills gap.
- Recognize that people want opportunities not just for promotion but to broaden their skills. Organizations need to make internal mobility a key priority and help employees view their career as a climbing wall or [playground](#), rather than a ladder.
- Shift your mindset to create an internal talent marketplace where people can grow their skills, build their careers, and find purpose while helping the organization thrive.

The skills gap puts daily work at risk

According to LinkedIn, the skill sets for jobs have changed by approximately 25% since 2015. And by 2027, this number is expected to double. But many employees don't have the current skills they need, let alone ones for the future.

- For some roles, the skills transformation is even more dramatic: the top 10 skills for project managers, engineers, and IT professionals have changed by 70% since 2015.
- Yet nearly half of employees say they feel that neither their immediate manager (48%) nor their senior leadership (49%) prioritize learning and development. Nearly two-thirds of business decision makers say the same (63%).
- Roughly 8 in 10 employees say they need additional skills to do their day-to-day work, including facing new business challenges or taking on new responsibilities from co-workers who have quit.

The Takeaway

The changes that have swept the work world over the past few years are not temporary. Flexibility is a feature, not a fad. And 2019 leadership practices simply won't meet the moment for a digitally connected, distributed workforce. Leaders who look to data—not just instinct—and focus on clarity, social capital, and career growth can realize both the promise of hybrid work and the full potential of their greatest asset: their people. Now more than ever, positive business outcomes depend on positive people outcomes.

Learn how [new enhancements](#) to Microsoft Viva help empower and energize employees so organizations can thrive.

Methodology and Audience Definitions:

The survey was conducted by an independent research firm, Edelman Data & Intelligence, among 20,006 full-time employed or self-employed knowledge workers across 11 countries* between July 7, 2022, and August 2, 2022. This survey was 20 minutes in length and conducted online, in either the English language or translated into a local language across markets. At least 2,000 full-time workers were surveyed in each market, and global results have been aggregated across all responses to provide an average.

Each market was sampled to be representative of the full-time workforce across age, gender, and region; each sample included a mix of work environments (in-person, remote vs. non-remote; office settings vs. non-office settings, etc.), industries, company sizes, tenures, and job levels. The survey had broad representation across several different industries, including: automotive, construction, consumer packaged goods, education, energy, entertainment,

fashion, financial services, food and beverage, government (state, local, or national), healthcare, hospitality, manufacturing, media and press, non-profit, professional services, retail, technology, telecommunications, transportation, and travel and tourism.

Markets surveyed include:

Australia and New Zealand (ANZ): Australia, New Zealand; **Asia-Pacific (APAC):** China, India, Japan; **Europe:** France, Germany, United Kingdom; **Latin America (LATAM):** Brazil; North America: Canada, United States.

Audiences mentioned in the report are defined as follows:

- **Employees:** those who are not in mid to upper job levels or have no influence on decision-making related to hiring, budgeting, employee benefits, internal communications, operations, etc.
- **Managers:** those who manage at least one employee as a direct report. Managers can be

business decision makers or non-business decision makers.

- **Hybrid Managers:** self-selected at time of survey fielding as currently working a mix of in-person and remote in a typical month, and currently managing at least one employee as a direct report.
- **In-person Managers:** self-selected at time of survey fielding as currently working exclusively in person, and currently managing at least one employee as a direct report.

* Australia and New Zealand were analyzed as one market.

Appendix: Key Global Trends

1. End productivity paranoia

Aggregated Totals	By Region	By Market	
<p>87% of global employees report that they are productive at work.</p>	<p>North America: 90% LATAM: 97% EMEA: 88% APAC: 83%</p>	<p><u>North America</u> Canada: 89% US: 91%</p> <p><u>LATAM</u> Brazil: 97%</p>	<p><u>EMEA</u> France: 90% UK: 87%</p> <p><u>APAC</u> Australia: 85% Australia/New Zealand: 86%</p>
<p>85% of global business decision makers say that the shift to hybrid work has made it challenging to have confidence that people are being productive.</p>	<p>North America: 77% LATAM: 88% EMEA: 83% APAC: 89%</p>	<p><u>North America</u> Canada: 78% US: 76%</p> <p><u>LATAM</u> Brazil: 88%</p>	<p><u>EMEA</u> France: 90% UK: 80%</p> <p><u>APAC</u> Australia: 90% Australia/New Zealand: 89%</p>

1. End productivity paranoia

Aggregated Totals	By Region	By Market	
<p>48% of global employees and 53% of global managers report that they're already burnt out at work.</p>	<p>North America: 49%, 50% LATAM: 38%, 38% EMEA: 47%, 53% APAC: 51%, 59%</p>	<p><u>North America</u> Canada: 51%, 52% US: 47%, 47%</p> <p><u>LATAM</u> Brazil: 38%, 38%</p>	<p><u>EMEA</u> France: 49%, 55% UK: 46%, 49%</p> <p><u>APAC</u> Australia: 62%, 66% Australia/New Zealand: 60%, 64%</p>
<p>43% of employees can confidently say that their company solicits employee feedback at least once a year—meaning that over half of companies may rarely hear about their employee's experiences at work (57%).</p>	<p>North America: 46%, 54% LATAM: 51%, 49% EMEA: 40%, 60% APAC: 42%, 58%</p>	<p><u>North America</u> Canada: 44%, 56% US: 48%, 52%</p> <p><u>LATAM</u> Brazil: 51%, 49%</p>	<p><u>EMEA</u> France: 32%, 68% UK: 44%, 56%</p> <p><u>APAC</u> Australia: 44%, 56% Australia/New Zealand: 43%, 57%</p>

2. Embrace the fact that people come in for each other

Aggregated Totals	By Region	By Market	
<p>82% of global business decision makers say getting employees back to the office in-person is a concern.</p>	<p>North America: 79% LATAM: 74% EMEA: 82% APAC: 86%</p>	<p><u>North America</u> Canada: 83% US: 77%</p> <p><u>LATAM</u> Brazil: 74%</p>	<p><u>EMEA</u> France: 88% UK: 80%</p> <p><u>APAC</u> Australia: 87% Australia/New Zealand: 86%</p>
<p>73% of global employees and 78% of global business decision makers say they need a better reason to go in than just company expectations.</p>	<p>North America: 77%, 74% LATAM: 60%, 62% EMEA: 72%, 76% APAC: 76%, 84%</p>	<p><u>North America</u> Canada: 78%, 72% US: 75%, 76%</p> <p><u>LATAM</u> Brazil: 60%, 62%</p>	<p><u>EMEA</u> France: 70%, 76% UK: 74%, 74%</p> <p><u>APAC</u> Australia: 77%, 80% Australia/New Zealand: 75%, 79%</p>

2. Embrace the fact that people come in for each other

Aggregated Totals	By Region	By Market	
<p>84% of global employees would be motivated by the promise of socializing with coworkers, while 85% are motivated by rebuilding team bonds.</p>	<p>North America: 82%, 83% LATAM: 93%, 93% EMEA: 84%, 85% APAC: 83%, 83%</p>	<p><u>North America</u> Canada: 84%, 84% US: 81%, 82%</p> <p><u>LATAM</u> Brazil: 93%, 93%</p>	<p><u>EMEA</u> France: 86%, 87% UK: 82%, 81%</p> <p><u>APAC</u> Australia: 83%, 83% Australia/New Zealand: 83%, 84%</p>
<p>73% of global employees would go to the office more frequently if they knew their direct team members would be there and 74% if their work friends were there.</p>	<p>North America: 74%, 75% LATAM: 72%, 67% EMEA: 70%, 72% APAC: 76%, 76%</p>	<p><u>North America</u> Canada: 74%, 76% US: 75%, 74%</p> <p><u>LATAM</u> Brazil: 72%, 67%</p>	<p><u>EMEA</u> France: 67%, 72% UK: 72%, 72%</p> <p><u>APAC</u> Australia: 78%, 78% Australia/New Zealand: 77%, 77%</p>

3. Re-recruit your employees with reskilling

Aggregated Totals	By Region	By Market	
<p>56% of global employees and 68% of global business decision makers say there are not enough growth opportunities in their company to stay long term.</p>	<p>North America: 55%, 62% LATAM: 42%, 44% EMEA: 55%, 69% APAC: 61%, 74%</p>	<p><u>North America</u> Canada: 56%, 64% US: 53%, 61%</p> <p><u>LATAM</u> Brazil: 42%, 44%</p>	<p><u>EMEA</u> France: 54%, 69% UK: 57%, 66%</p> <p><u>APAC</u> Australia: 66%, 78% Australia/New Zealand: 64%, 77%</p>
<p>55% of global employees say the best way for them to develop their skills is to change companies.</p>	<p>North America: 56% LATAM: 40% EMEA: 54% APAC: 59%</p>	<p><u>North America</u> Canada: 57% US: 55%</p> <p><u>LATAM</u> Brazil: 40%</p>	<p><u>EMEA</u> France: 54% UK: 53%</p> <p><u>APAC</u> Australia: 69% Australia/New Zealand: 66%</p>

3. Re-recruit your employees with reskilling

Aggregated Totals	By Region	By Market	
<p>Over 2 in 3 global employees say that they would stay longer at their company if it was easier to change jobs internally (68%). That rises to 3 in 4 for global people managers (75%) and global business decision makers (77%), revealing a powerful retention tool for your leadership layer.</p>	<p>North America: 68%, 72%, 71% LATAM: 65%, 67%, 69% EMEA: 64%, 71%, 74% APAC: 72%, 81%, 83%</p>	<p><u>North America</u> Canada: 70%, 75%, 72% US: 65%, 69%, 70%</p> <p><u>LATAM</u> Brazil: 65%, 67%, 69%</p>	<p><u>EMEA</u> France: 66%, 70%, 75% UK: 64%, 71%, 73%</p> <p><u>APAC</u> Australia: 74%, 79%, 80% Australia/New Zealand: 71%, 78%, 79%</p>
<p>73% of global Gen Z/Millennial employees report that they would stay longer at their company if it was easier to change jobs internally.</p>	<p>North America: 74% LATAM: 69% EMEA: 68% APAC: 78%</p>	<p><u>North America</u> Canada: 76% US: 71%</p> <p><u>LATAM</u> Brazil: 69%</p>	<p><u>EMEA</u> France: 70% UK: 70%</p> <p><u>APAC</u> Australia: 76% Australia/New Zealand: 78%</p>

3. Re-recruit your employees with reskilling

Aggregated Totals	By Region	By Market	
<p>If they could benefit more from learning and development support, 76% of global employees say they'd stay at their company longer. This climbs to 83% among global business decision makers.</p>	<p>North America: 77%, 80% LATAM: 81%, 87% EMEA: 71%, 77% APAC: 79%, 87%</p>	<p><u>North America</u> Canada: 76%, 81% US: 78%, 80%</p> <p><u>LATAM</u> Brazil: 81%, 87%</p>	<p><u>EMEA</u> France: 71%, 80% UK: 70%, 78%</p> <p><u>APAC</u> Australia: 80%, 84% Australia/New Zealand: 77%, 83%</p>