



Employee engagement and wellbeing

**the statistics underpinning
the modern workplace**



How has the pandemic altered the working landscape?

At the very beginning of 2019, employee morale and professional optimism were generally high..

Fast-forward three years, and the sense of uncertainty is palpable, as businesses are still unsure of what the future holds and are slowly rebuilding the confidence to hire new talent and operate at maximum capacity.

From an employee perspective, the last few years have thrown a major spanner in the works, especially when it comes to career development. The widespread economic impact of the pandemic and resulting lockdowns led to a significant spike in redundancies and resignations, and the long-term impact of this seems to be a lack of employee engagement and satisfaction.

This air of uncertainty will present business leaders with a unique set of challenges in 2022, but recent data and statistics also point to a number of opportunities that businesses can take advantage of in the months ahead.

Employee wellbeing in numbers

According to a Harvard Business Review study...

89%

of respondents said their workplace wellbeing had declined since the start of the pandemic



56%

of people put this decline down to 'increased job demands'

24%

highlighted a 'loss of connection' as the main contributing factor

Employees have become more open about their mental wellbeing during the pandemic...

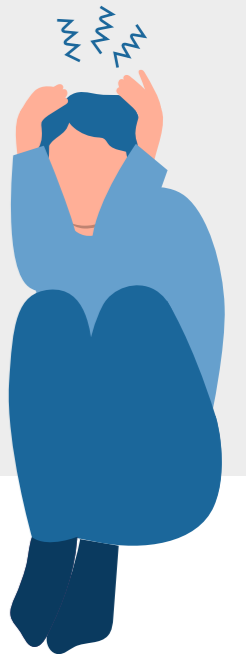
87%

of HR leaders reporting an increase in the number of people coming to them with wellbeing concerns

In response to this...

83%

of HR leaders are planning to ramp investment around employee wellbeing



Unfortunately, the pandemic has led to sharp increase in daily stress, with the current data showing that...

stress levels are sitting at an all-time high of

83%

This increase in stress is causing many employees to feel disengaged with work, which has a direct impact on business productivity.

Businesses are competing to attract new talent

With stress levels at an all-time high and employee wellbeing at an all-time low, it should come as no surprise to discover that people are now being very particular about the opportunities they take and the careers they pursue.

Whilst money will always be an important motivator, there is now a lot more emphasis on the culture of a business, specifically how they treat/value their employees.

Since the start of the pandemic, people have been forced to accept and overcome a range of difficult challenges, whether that be suffering from a loss of earnings or dealing with the psychological impact of prolonged isolation. For some, these challenges included being made redundant, and although in the height of the pandemic this was the cause of a lot of stress and uncertainty, it has given some individuals an opportunity to hit the 'reset' button and reevaluate the professional path they are on.

Instead of blindly accepting the first job offer that hits the table, people are now taking the time to research the business and its employees, ensuring it will be a cultural fit with long-term potential before signing on the dotted line. This has led to a 'talent war', whereby businesses are now competing with each other to attract experienced individuals that are actively seeking new opportunities.

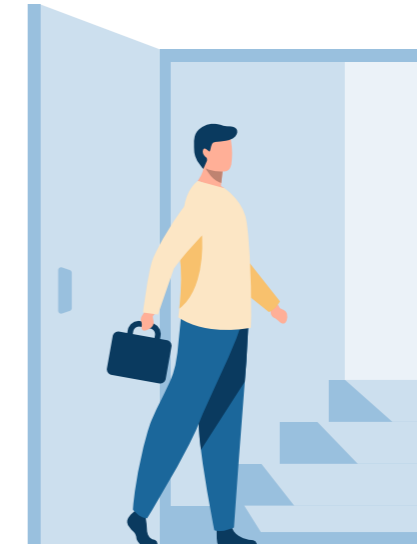


Statistics reflect an exodus of talent

With a record number of workers currently looking for new employment, a US survey revealed that...

54%

of respondents cited 'not being valued by the company' as the main reason for them leaving



51%

of those surveyed said they 'did not feel a sense of belonging' and this convinced them to look elsewhere

There have been widespread staff shortages across the UK, which was reflected in a recent survey of 500 firms.

1/4 citing a lack of talent as the main reason why they could not operate at normal capacity

1/5 said they were planning to increase wages in a bid to attract new staff



According to a recent poll...

86%

of workers feel their career has stalled during the pandemic

54%

feeling the pressure to push their careers further as the pandemic ends

This points to a newfound determination amongst workers to seek other promising opportunities, especially with a fresh year ahead.



What do the stats tell us?

According to a recent survey...

20%
of workers don't feel a sense of belonging at their current workplace



Shockingly, more than
1 in 4
workers have felt pressure to hide or change something about themselves to fit in at work

60%
of workers now contend they would not accept a job offer if the company values did not align with their own

36%
of employees that recently quit their job did so without a fallback option in place

This indicates an urgency amongst many to leave jobs they are unhappy in, regardless of the circumstances or timing.



Achieve victory in the 'battle for talent'

Once upon a time, it was possible to attract new talent by offering a competitive salary and ensuring the culture of the organisation was fun and appealing.

However, the severity of the pandemic and its long-lasting impact means that potential employees need an offer more compelling than a pool table, hour long lunch and frequent company social events to convince them to join.

Instead, talented and aspiring individuals are now looking for opportunities with substance, where the company's long-term vision and commitment to personal development matches their own attitudes and ambitions towards work. Rather than be treated like a number, people are now eager to join businesses that encourage career progression and operate with a personable approach.

Nearly
40%
of millennials have opted for a specific job on the grounds of company sustainability at the expense of a higher paying alternative

It's clear to see that the backdrop for the 'talent war' has changed, and businesses must do more than pay well to successfully attract employees.

Disconnect between employers and employees



Whilst it's true that employees are searching for richer and more fulfilling career opportunities since the pandemic began, the ongoing disconnect between businesses and their employees has undoubtedly accelerated this movement of talent in recent times.

In many cases, unsettled employees have voiced their concerns to those in positions of power and have been clear about the direction they want to take. However, there are still a lot of businesses neglecting the fundamental needs of their employees, as they fail to nurture the talent within, which then causes employees to leave and pursue their goals elsewhere.

This disconnect ultimately comes down to a lack of understanding on the employer's part, as they hear the requests and complaints, but fail to acknowledge the seriousness of the problem until it is too late and talented individuals head for the exit.

Data shows a disconnect

Earlier in this document, we highlighted that **54% of respondents** cited 'not being valued by the company' as the main reason for leaving.

However, employers gave different reasons when asked why more employees were handing in their notices. The most common explanations were; compensation, work-life balance and poor physical/emotional health. This tells us that a lot of businesses are out of tune with employees and their needs.

Employee experience (EX) is defined as the way employees perceive and feel about the organisation, based on their individual and cumulative interactions

with customers, leaders, colleagues and the overall work environment.

Tellingly, **64% of CEOs** are very satisfied with their current EX capability, whilst just **23% of those working in operations** agree. Again, whilst an overwhelming **91% of organisations** recognise the value of EX to the company's overall strategy, only **25%** agree that its value is understood and embraced across the enterprise.

It's statistics like these that further demonstrate the severe disconnect between employers and employees, with teams and departments uncertain of the wider strategy, which then compounds feelings of uncertainty throughout the business.

And there are plenty more statistics that tell a similar story...



According to a recent survey...

30%
of workers feel unable to confide in management

23%
of workers feel unable to be their authentic selves in the workplace

22%
of women feel uncomfortable being honest for the reasons they take sickness leave, especially as the lines between work and home have blurred since the pandemic started

Although organisations believe the working environment and workplace support systems have improved in the last three years...

only 23% of employees describe themselves as being 'very happy' in their current role



HR leaders face new challenges

Unfortunately, these various factors have come together like a perfect storm. Not only is the pandemic-related uncertainty creating stress, but the lack of response from senior leaders is causing many employees to become unsettled, as they search for new, more fulfilling opportunities elsewhere.

For HR leaders, the pressure is well and truly on, especially as the emergence of hybrid working makes it increasingly difficult for them to manage people and their individual needs.

96% of HR leaders reported that employee experience (EX) has become more important during the pandemic, with employee wellbeing the primary driver for this increased focus

To accommodate this, employers are now looking to take a more strategic approach, bringing in specialist resources to handle EX.

83% of HR leaders predict that the best performing companies will employ a 'Head of Employee Experience' within the next two years

For the time being, however, it seems many HR leaders see the main hinderances to their daily tasks that they will have to overcome to be...



budget constraints
(84%)



growth of hybrid working
(76%)



lack of strategy
(69%)



Seize the opportunity

On the face of it, these statistics paint a negative picture of the current workplace culture, with employee wellbeing at an all-time low, and a growing disconnect between businesses and employees contributing to this air of uncertainty.

However, these findings can be used as an opportunity for HR leaders to get ahead of the curve and make strides towards improving the employee experience or at least bring it to the attention of senior team members, so that an appropriate strategy is developed.

Before the pandemic, there was a lot less uncertainty and most people were still based in the office, which meant that concerns were not raised as often, and if they were, they could be handled appropriately.

Those days are over, as employees are now much more focused on having a positive working experience, where they are supported and listened to by HR and senior management, with flexible working permitted where possible.

In fact, the evidence suggests that creating a positive workplace environment could actually improve output and performance, despite the uncertainty caused by the pandemic.

A healthy business is a happy business

Studies have shown that collective cultures repeatedly outperform individual cultures, so if you take the time to build a positive work environment, where employees are supported and given opportunities to develop, then you should see a noticeable improvement in the results delivered.

According to one study, organisations with a high level of employee engagement and satisfaction outperform their competitors and peers by around 3% annually in terms of stock returns, which cumulatively, stacks up to a significant stock return outperformance of other enterprises.

Of course, this level of success can only be achieved if employees feel valued, engaged and buy into the long-term vision of the company they represent. As a business, it is important to identify what motivates your employees, using this to keep everyone on track and pulling in the same direction.

Although staff turnover is at an all-time high, businesses can retain their most talented employees by listening closely to their concerns and providing opportunities for personal development and career progression.

Nurture the talent within

As the attitudes and ambitions of workers change, so too must your company's commitment to improving the employee experience.

If employees are handing in their notices in search of more fulfilling, long-term career opportunities, then maybe it is time to offer them the personal development opportunities they desire, instead of allowing them to leave and join your competitors. Not only will this allow you to keep hold of your top-performing workers, but it will help you train the next generation of leaders capable of driving the business forward.

Ultimately, the most successful organisations are those that invest in leadership development at every level, as this allows the entire workforce to realise its full potential. If your business is keen to nurture the talent within and reap the benefits of doing so, then LMI offers a range of bespoke personal development programmes that can be tailored to meet your unique business requirements.

Visit our website www.lmi-uk.com or contact our experienced team for more info on the services/programmes we provide.



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