

2022

State of Engagement



As the pandemic continued through 2021, employee listening became more important than ever. Organizations needed to better understand the employee experience in order to maintain engagement and retention in the face of the Great Resignation.

It is clear that employees today are re-evaluating their priorities. They are demanding new levels of flexibility, a sense of belonging, opportunities for career development and inspirational leaders. Organizations that innovate to support these needs will win the war for talent, and those that don't will find themselves understaffed. This report details the latest trends in employee engagement and offers insights to navigate this new landscape.

04 2021: A Year Marked By the Great Resignation

08 Key Drivers of Engagement

13 Diversity, Equity & Inclusion Insights

Thought Leadership Newmeasures, LLC

This research and the resulting insights and recommendations were produced by Newmeasures, LLC.



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Key Findings

Engagement Returned to Pre-Pandemic Levels

- Intent to stay perceptions decreased (-5 points). Employees indicate their top reasons they stay are to work with great people and grow their careers. The top reasons employees may leave include compensation and benefits, lack of career growth opportunities, and work-life balance.
- Engagement levels dropped (-4 points) back to where they were in 2019, with the biggest decrease in the feeling valued item (-6 points).
- The topics with the largest decreases from 2020 to 2021 include Senior Leadership's communication of a motivating and inspiring vision, organizations caring about employee well-being, and employee confidence in their ability to accomplish career goals.
- The most notable increases include topics related to conditions to doing your best work, including having clear expectations and the resources needed to be successful, having input into decisions, and feeling encouraged to share new ideas.

2021 Key Drivers of Engagement

- Confidence in accomplishing one's own career goals and the opportunity to develop skills remained key drivers in 2021.
- Feeling a sense of belonging moved up to become the second most important driver.
- Confidence in leadership and communicating an inspiring vision continue to be important drivers.
- Two items were new on the driver list: supporting people from all backgrounds to be successful and demonstrating care for employee well-being.

Engagement by Demographics

In general, trends by age, tenure, gender, ethnicity, and employee level stayed consistent but shifted down relative to 2020.

Our Methodology

Each year, Newmeasures collects data from hundreds of thousands of employees across a wide variety of industries and locations. We offer a summary of the data collected to support leaders in understanding engagement trends and changes over time. This report summarizes key drivers of engagement as well as differences in engagement across, age, tenure, gender, and ethnicity.

In previous years, Newmeasures calculated industry norms using a rolling benchmark that reported data over several years. This year, we have changed our methodology to better account for the drastic fluctuations in the work experience due to the pandemic and the shift to working from home. As such, the data presented in this paper represent each year in isolation. We think you'll find this helps in identifying the nuances and trends between the wildly different contexts of 2019, 2020, and 2021. Our hope is that the insights presented in this report help you understand the current landscape of the employee experience and foster engagement in your organization.

225

Organizations

360,000

Survey Responses

Retention

A strong indicator of employee engagement is intent to stay with an organization. We asked over 72,000 employees to tell us why they planned to stay or leave their organization.

Employees stay for the opportunity to develop their skills and a sense of community and belonging at work.

Intent to Stay: A Year Marked by The Great Resignation

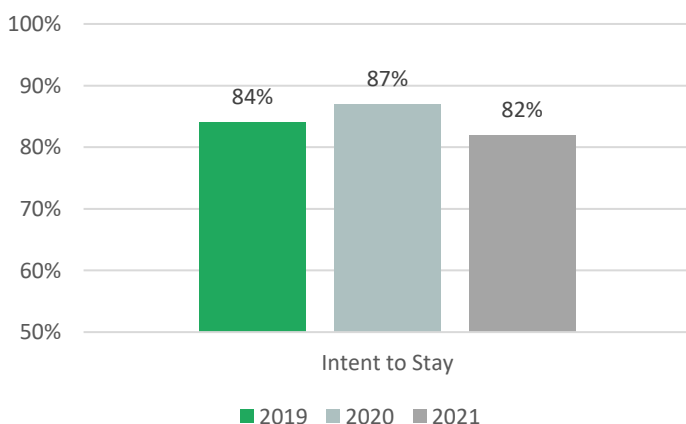
Perhaps one of the biggest challenges organizations faced in 2021 was a sudden increase in turnover. Coined the Great Resignation, employees left organizations in record numbers. Theories abound as to why: some cite how the pandemic led to a re-evaluation of priorities, new demands for flexibility, and calls for better working conditions. Newmeasures evaluated employee feedback from 2021 to shed further light on this pressing topic. As noted in *Figure 1*, employees' intent to stay dropped 5 points between 2020 and 2021. Given that responses to this survey item are highly correlated with actual turnover, this downward trend warrants attention.

To further understand this trend, we asked 72,475 employees to tell us why they planned to stay or leave their organization (*Figure 2*). As we have seen for the past three years, the opportunity to work with great people is the number one reason people plan to stay at their work. This is striking this year as we continue to see a sense of belonging rise in the list of top engagement drivers. In addition, relationships with coworkers continue to be of utmost importance, even when many are working remotely.

Conversely, employees plan to leave their organization when they do not feel they are paid fairly and when they do not see that they have opportunities for career growth. This supports research that indicates that pay is a [hygiene factor](#) when it comes to employee engagement, meaning employees need to be compensated fairly or it can detract from their commitment and motivation. However, once fair compensation is established, it is rarely at the top of the list of what gets people engaged (see the key driver list in *Figure 6*).

Given the Great Resignation and levels of burnout employees reported in 2021, it was interesting to see what happened with perceptions of work-life balance in relation to why employees plan to stay or leave. In 2020, we found that work-life balance was a key reason why people stay. In 2021, work-life balance was not in the top of intent to stay reasons, but instead showed up as the third most cited reason why employees may *leave*. One way to understand this could be that in 2020, employees were grateful to be able to shift from the office to working safely from home during the pandemic. However, in 2021 the impact of blurred boundaries between home and work were starting to take their toll. In general, we are hearing that employees are burned out and tired. When they aren't able to find balance that supports their well-being, it can lead to turnover.

Figure 1. Intent to Stay



People who feel confident they can achieve their career goals at their current organization are 8.8 times more likely to indicate they plan to stay for the next 12 months.

FIGURE 2: Top Reasons Employees Intend to Stay or Leave in 2021

Top Reasons Employees Intend to Leave in 2021 (n=17,674)

- 1 Compensation & benefits
- 2 Lack of opportunities for career growth
- 3 Lack of work-life balance
- 4 Don't feel valued
- 5 Tie: Lack of support and Work environment/culture

Top Reasons Employees Intend to Stay in 2021 (n= 54,801)

- 1 Coworkers
- 2 Opportunities for career growth
- 3 Remote & hybrid work options
- 4 Direct supervisor
- 5 Tie: Compensation & benefits Work environment/culture

While the topics listed above were self-reported by employees, we wanted to see what else we could learn about Intent to Stay/Leave using items from the Newmeasures engagement survey. We conducted a regression analysis using the 2021 key drivers of engagement, topics that were most mentioned by employees as to why they would leave, and items that are most correlated with stay intentions from our 2021 engagement survey data (see Appendix for a complete list of survey items included in the analysis).

The results of the stepwise regression analysis indicate the items that explain the most variance in whether or not people plan to stay. The following engagement survey items explain 33% of the variance in intent to stay:

- The opportunity to develop their skills
- Feeling a sense of community and belonging at work
- Feeling treated with respect from others, regardless of background or identity
- Confidence they can accomplish their career goals
- Managers seeking input from a diverse group of people

A few things stand out about these findings. First, these topics are incredibly consistent with the key drivers of engagement (see *Figure 6*), suggesting that organizations can impact employee commitment and motivation while also having an impact on retention. Second, we note that pay is not on the top of the list even though employees report it is as a top reason for leaving when asked directly. This could suggest that perhaps it is easier for employees explain their decision to leave by saying that pay is the main factor, when really there are other factors at play that may feel vulnerable to share, or they are not even aware of themselves. Finally, more than any other year, this feedback highlights the importance of being able to show up at work with one's whole self in an environment where people feel they belong, are seen and heard, and have the opportunity to grow and develop in ways that align with their personal values.

Engagement Trends

What is Engagement?

Newmeasures defines engagement as a feeling of commitment and enthusiasm for one's work that leads to a willingness to exert discretionary effort. Engaged employees have a positive impact on organizational outcomes such as turnover, performance, and customer experiences. The goal of any engagement survey is to provide actionable insight that leads to enhanced employee commitment and motivation.

We measure engagement using our validated Employee Engagement Index. The index measures the extent to which employees; 1) feel valued, 2) are excited about their work, 3) perceive their organization is on the right track to be successful, 4) intend to stay with the organization, and 5) would recommend their organization as a good place to work.

2021 Results for Engagement

Engagement Declines to Pre-Pandemic Levels

Overall, engagement levels have returned to pre-pandemic levels. While all items in the engagement index decreased, the largest change from 2020 to 2021 was in feeling valued. Interestingly, some of the topics most highly correlated with feeling valued in 2021 include trust in leadership and the belief that leaders are committed to creating a culture of inclusion, along with an environment that promotes open communication where employees feel it is okay to voice their opinions.

This trend highlights some of the positive things that happened in 2020 during the covid pandemic. We saw an uptick in focus on diversity, equity, and inclusion; leaders built employee confidence in their ability to navigate novel and unexpected challenges; and managers and employees prioritized checking in on one another. As the pandemic wore on in 2021 and burnout among employees increased as difficult business challenges continued, it's possible that organizations strayed from focusing on some of the topics that led to employees feeling seen and valued.

Figure 3. Engagement Index 2019 to 2021

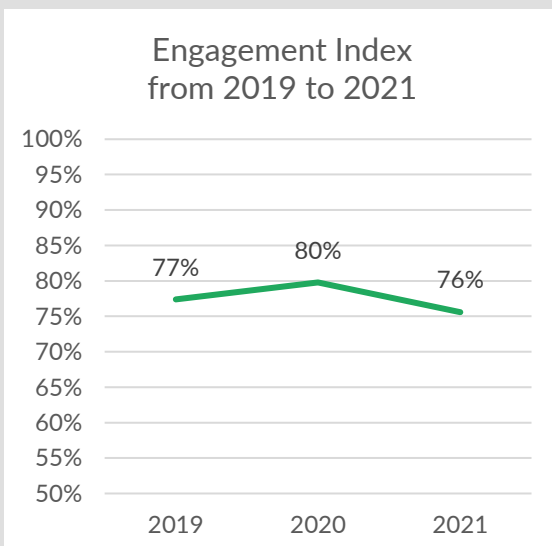
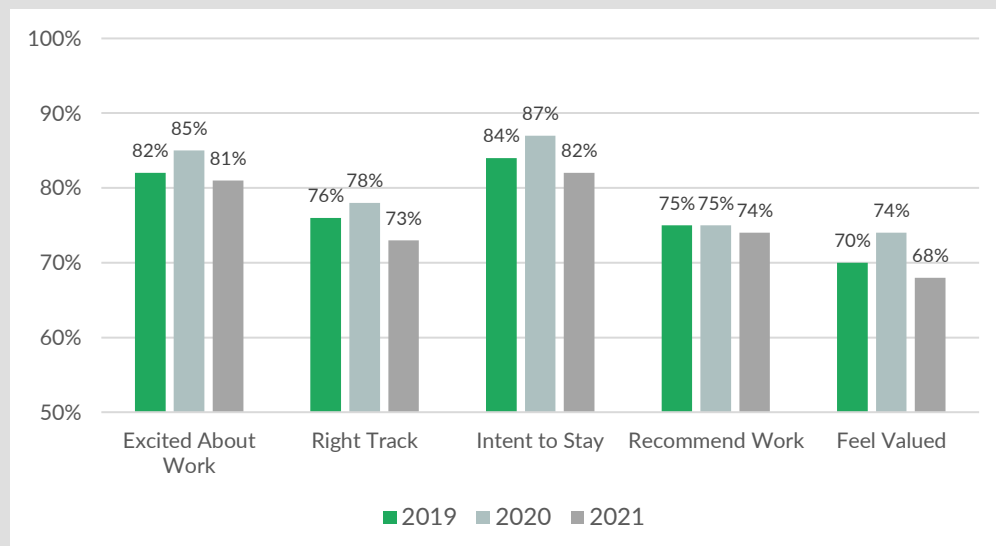


Figure 4: Indicators of Engagement 2019 to 2021



Biggest Annual Shifts in Perception

In 2021, some of the topics most critical to engagement saw decreases, including a sense of belonging, perceptions of career opportunities, and whether senior leadership is communicating a motivating vision. Details around these topics will be discussed in later sections of this paper.

Interestingly, the topics that saw the largest increases were related to the Newmeasures survey dimension Conditions to do Best Work. We heard from our

clients that 2020 was a time to “figure it out” and 2021 was the time to “get it done”. Many managers came into 2021 ready to better communicate expectations, provide the resources people need, and get more input into decision making. Now that we’ve figured out how to get it done in 2021, leaders need to sustain that progress and pivot their attention back to building positive experiences where we had lost momentum.

Figure 5. Core survey items with the largest changes from 2020 to 2021



2021 Key Drivers of Engagement

To identify critical drivers of engagement and inform action taking, organizations leverage a key driver algorithm, which identifies the survey items with largest correlation with engagement. The 2021 top engagement drivers for Newmeasures' clients are listed in *Figure 6* below.

Data suggest focusing on these topics to have the greatest positive influence on employee engagement. An organization's unique set of drivers or specific business function drivers can differ based on the nature of their work and other contextual factors, but these topics come up again and again and are often effective ways to improve employee engagement.

2021 Top Drivers of Engagement **in Rank Order**



Figure 6. 2021 Top Drivers of Engagement

Growth & Development

Favorability scores for the item “I believe I can accomplish my career goals at this organization” declined from 2020 to 2021, while perceptions that people are given the opportunity to develop their skills stayed consistent. Employees did report more positive perceptions of being given the opportunity to provide input into decisions and come up with new ways of doing things. Both topics are important not only for employee development but creating a culture of inclusion as well.

Figure 7. Career Growth and Development Survey Items



So, what can organizations do to support employees in their career development?

Focus on the Role of Managers. Often managers are promoted into leadership roles due to their technical skills but with little expertise in coaching and developing others. Ensuring managers have the skills and tools needed to give employees just-in-time feedback and have 1:1 career development conversations is critical. Manager toolkits that include discussion topic checklists and guidance for how to create SMART goals can improve the quality and effectiveness of development conversations. Newmeasures research finds a very strong connection between quality one-on-one development conversations and overall levels of engagement; investing in these skills is sure to pay off.

Tailor Career Plans to Individuals. The pandemic has prompted employees to reflect on their lives and how their careers support their personal goals and values. As such, aligning career paths to the talents, needs, and life circumstances of each employee is key to retention. This requires that managers really get to know and understand each employee on an individual level and that they co-create development plans. It also suggests that one career path does not fit all, and it's more important than ever to get creative on how to address individual needs. Considerations like lateral moves, flexible schedules, special assignments, and creatively leveraging employee talents and interests—sometimes even by crafting new roles—can help to establish work opportunities that keep employees motivated and committed.

Belonging



Five Practical Ideas to Boost Belonging

With much of the workforce still working from home, belonging continues to rise in importance for creating a sense of engagement. We interviewed [Shannon Masden](#), Associate Director of Equity and Inclusion at Mount Holyoke College, for tips on how to foster a culture of belonging and inclusion. Here are ideas to consider:

Examine time off policies. Are they centered around a particular culture or religion? If so, consider how they can be more reflective of the range of holidays that are important to your employees. Offer floating holidays to let employees decide what days are meaningful to them.

Consider holy days and holidays when planning events. For example, when planning an event during Ramadan, where people fast until after sundown, ensuring food will still be available at an event after the sun sets can make it more likely everyone can participate because their needs will be met. Clearly communicating how an event will flow ahead of time (things like schedule, access, transportation, food options, etc.) will better enable employees to create an informed plan of how to meet their needs, so they feel included and are able to participate.

Look for informal ways to listen. Masden shares an example of working at an organization where the table in the lunchroom was a picnic table. The Executive Director would eat lunch there every day and invite the entire team, from leaders to interns, to join and informally talk about the decisions at hand. It created a sense of belonging because everyone's voice was considered, regardless of role. Employees who did not have formal decision-making responsibility still had a chance to weigh in with their thoughts, and it created a sense that everyone had an important role to play in getting to the best outcome.

Start meetings with access check-ins. Inspired by transformative justice advocate, [Mia Mingus](#), access check-ins invite people at the start of a meeting to share what they need to be able to show up fully and participate. Meeting facilitators can begin a meeting by asking, "Is there anything that would be helpful for us to know that might impact how you show up in this meeting today?" People might share potential challenges such as:

- My child is home sick and sleeping in the next room, so I might be more quiet than normal.
- I have a headache from being on Zoom for 6 hours already today, so I'm going to turn my camera off.
- I'm waiting for a phone call from my doctor, so I may excuse myself briefly if she calls me back.
- My dog has a lot to say about the mailman, so I might put myself on mute.

Having a sense of the circumstances of those on a call can ensure that everyone has what they need to show up as their best selves and give people permission to do what they need to do to take care of themselves. It can also help avoid misinterpreting others' behavior in a virtual context where assumptions are easy to make and are often inaccurate. Knowing what people are dealing with in their personal surroundings can go a long way to support belonging and inclusion.

Make space for relationship building. Masden shares that when she was working in the office, the best time for strengthening bonds and creating a sense of belonging was "couch time." She describes how the team would plop on the couch after a long day or a tough meeting and debrief how things were going. While having a common space for informal sharing is harder to do virtually, it is perhaps more important than ever. Consider scheduling short meetings for "couch time" where people can share what's going on in their week. Or better yet, try mimicking the spontaneous connections that happen in person by inviting people to jump on an impromptu virtual meeting. Not everyone will be able to make it every time, but catching people live and unplanned is sometimes the best way to get an authentic sense of how things are going. You might also think about including people beyond your immediate team. Consider informal check-ins with cross-functional team members, people from different layers of the organization, or employees that work in different locations or time zones.

Well-Being

Another stand out topic on the 2021 key driver list is well-being. 2021 marks the first year we have seen the item, “My organization cares about the personal well-being of employees,” on the list of key drivers. Well-being can mistakenly be dismissed as just an individual concern, when in fact it is imperative to supporting a thriving workforce. Organizations can influence the overall well-being of their workforce through interventions that support the career, social, financial, physical, and community aspects of the work experience.¹ Focusing on culture, asking for feedback, and promoting healthy work practices can make a substantial impact on well-being.

Poor work-life balance has an obvious impact on well-being. Here are four ideas to bring a little more balance and self-care into the workday.

Promoting Healthy **Work Practices**

People who feel they are able to maintain a healthy work-life balance are 3.5 times more likely to indicate they intend to stay with their organization for the next 12 months.

Efforts to promote well-being and work-life balance have been crucial to retaining top talent.



Encourage employees to step away for fresh air.



Taking a walk outdoors can boost performance, improve concentration, reduce stress and enhance overall brain function. Walking meetings, taking breaks outside, or even just a short walk to get the mail can give the body and mind a break that allows it to return to work refreshed and energized. Doing this for yourself and encouraging others to do the same can give an energy boost to your team.

Check in with a colleague on non-work-related topics.



In the virtual work environment, it's particularly important to make time for human connections. Make it a regular practice to schedule 15-30 minute “coffee breaks” or “water cooler” chats with other coworkers.

Re-evaluate meeting norms.



Step back to examine the systems and practices in place for holding meetings and question whether they contribute to the type of culture you want to build and reinforce. Establish and communicate new norms to make changes where necessary. Consider reducing meeting times from 60 to 50 minutes to allow for breaks, turning off video unless necessary, or giving permission for employees to excuse themselves from meetings where they do not play an active role.

Encourage focused work times and set boundaries.

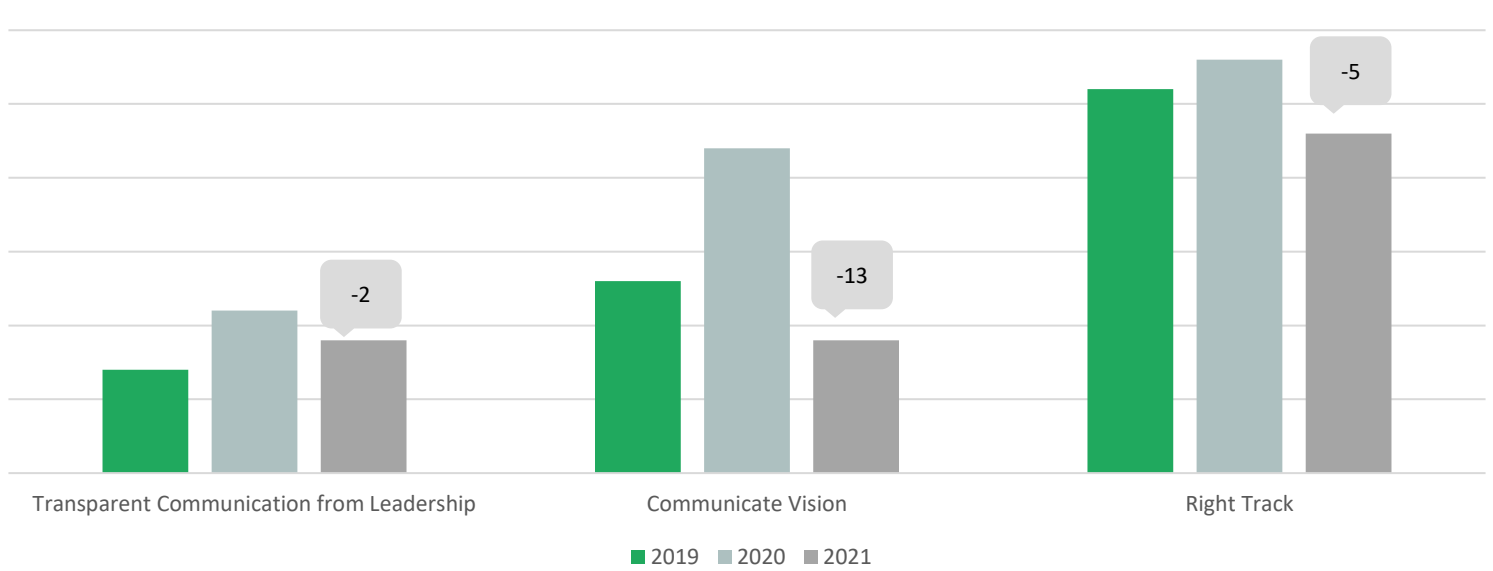


Recognize the importance of uninterrupted work time and develop practices that set and safeguard these boundaries. Consider creating norms for protected work time, such as no emails after 5:00 p.m. or “no meeting Fridays.” Ensure leaders are role modeling these boundaries so that employees feel safe to enforce them too.

Visionary Leadership

Favorability scores for visionary leadership have fluctuated dramatically over the past three years. In 2020, there was a noticeable spike in positive employee feedback about senior leadership's vision; however, sentiment has now dipped below pre-pandemic levels. A similar pattern, with less extreme scores, emerged for transparent communication from leadership. In addition, fewer employees surveyed in 2021 felt that their organization was on the right track to succeed as compared to the previous two years.

Figure 8. Visionary Leadership Survey Items



It appears that at the height of the COVID-19 crisis, leaders stepped up to the challenges of uncertainty and change by painting an inspiring vision for the future. Unfortunately, this motivational messaging about the future was not sustained throughout 2021. There are likely multiple reasons we may be seeing a decline:

- COVID-19 was fast moving and provided a common “enemy” for leaders to rally around; quick decisions and frequent communication were critical. Leadership teams were focused and aligned. Over time, this urgent and defined focal point has diminished.
- Now that employees know their leaders can be inspiring, expectations may be heightened.
- Leaders may feel they have communicated “enough” and could be growing tired or weary of repeating the vision.
- Leaders themselves may be feeling less clear and positive as we emerge from the pandemic into an environment of extreme uncertainty.

No matter the cause, it's critical for senior leaders to place a renewed emphasis on communicating a positive vision. Remember that employees look to their leadership for both guidance and signals about the likelihood of future success. Newmeasures' research shows that hearing an inspiring vision from leadership has remained a key driver of employee engagement for the past several years. Look for opportunities to weave the vision into regular communication channels and help every leader understand and then translate the vision to their own teams.

Diversity, Equity and Inclusion

2020 was a year energized by activism in the social justice space. During that year, Newmeasures had many rich conversations about Diversity, Equity, and Inclusion (DEI) with clients who were collecting more employee feedback than ever on this topic. In fact, we saw the number of datapoints gathered on items related to DEI *more than double* in our database from 2019 to 2020. Leaders and employees alike were ready to have hard conversations and put plans in motion to address this critical topic. We saw DEI teams expand, ERGs form, and Chief Diversity Officers get hired. Analytics teams investigated representation and organizations brought diversity related topics into their executive meetings. *But all of this begs the question – what happened to the momentum we saw in 2020?*

Although there are certainly some exceptions, momentum has decelerated. The impressive increase we saw in the number of DEI datapoints collected between 2019 and 2020 went back down in 2021 (it went down to a slightly higher level than 2019, but it was cut in half from 2020 to 2021). The “top of mind conversations” our clients were bringing up started to decline as well. We heard comments on how they fear this topic has left the spotlight, and investment in these efforts has plateaued or declined.

The data illustrate a similar story. As shown in *Figure 9* below, the average agreement that “diversity is valued at my organization” fell by 7 points from 2020.

“

Leaders and individuals have long been taking the ‘crash diet’ approach to DEI – searching for the one big thing that will create significant change. But real change requires altering many habits and norms, sustained over a long period of time.

”

[QUALTRICS HR LEADER'S GUIDE TO DIVERSITY, EQUITY AND INCLUSION](#)

Figure 9. Diversity, Equity, and Inclusion Survey Items



Call to Action

Do not let DEI become a back burner topic!

- **Put Measurement Around It.** Many organizations are creating trouble for themselves by only measuring the “D” part of “DEI”. Understanding diversity is important to understanding how many employees are represented across demographic groups and leadership levels. But this is just one part of the story. It is also critical to measure the experiences of employees through equity (equitable outcomes, resources, and experiences) and inclusion (feeling valued and respected, and a sense of belonging). Comprehensive measurement allows you to track success, get buy-in from leadership, and action plan for meaningful change.
- **Give Attention to Your Systems.** We see too many organizations try to focus on a single “solution”—such as DEI training—without giving attention to the bigger picture. DEI efforts require a systems-based approach. Implicit Bias Training, for instance, will not be effective if there are underlying issues with the surrounding systems, structure, policies, and procedures (e.g., recruitment, promotion, and advancement systems, clearly documented performance ratings, the selection pool, your culture).
- **Take a Strategic Approach.** DEI is central to acquiring talent and to serving your clients, so it should be part of your business strategy. Prioritize your path to building a more inclusive environment by encompassing the objective in your organization’s strategic plan and defining metrics for success. Allocate the appropriate resources and ensure high levels of visibility to execute. An important resource is securing executive sponsorship and ongoing collaboration. This signals to employees that this topic is central to the mission and will push the organization closer to achieving DEI objectives.
- **Mind Your Gap by Helping Leaders Walk the Walk and Not Just Talk the Talk.** Teach your leaders how to be role models. It is not enough to tell a manager to “be more inclusive.” They need help knowing what this means, what this looks like in practice, and where to start.
- **Allocate Funds.** DEI programs often begin as grassroots efforts without budget or resources, but they should not stay this way. Organizations need to allocate budget to DEI and equip employee resource or affinity groups with funding. Those leading these important initiatives should be compensated for their work, financially and through an appropriate allotment of time to do the work.

For more,
visit our blog:



[*You've Measured DE&I.
Now What?*](#)

Employees who agree that diversity and inclusion are valued and supported by their organization are 12 times more likely to be engaged.

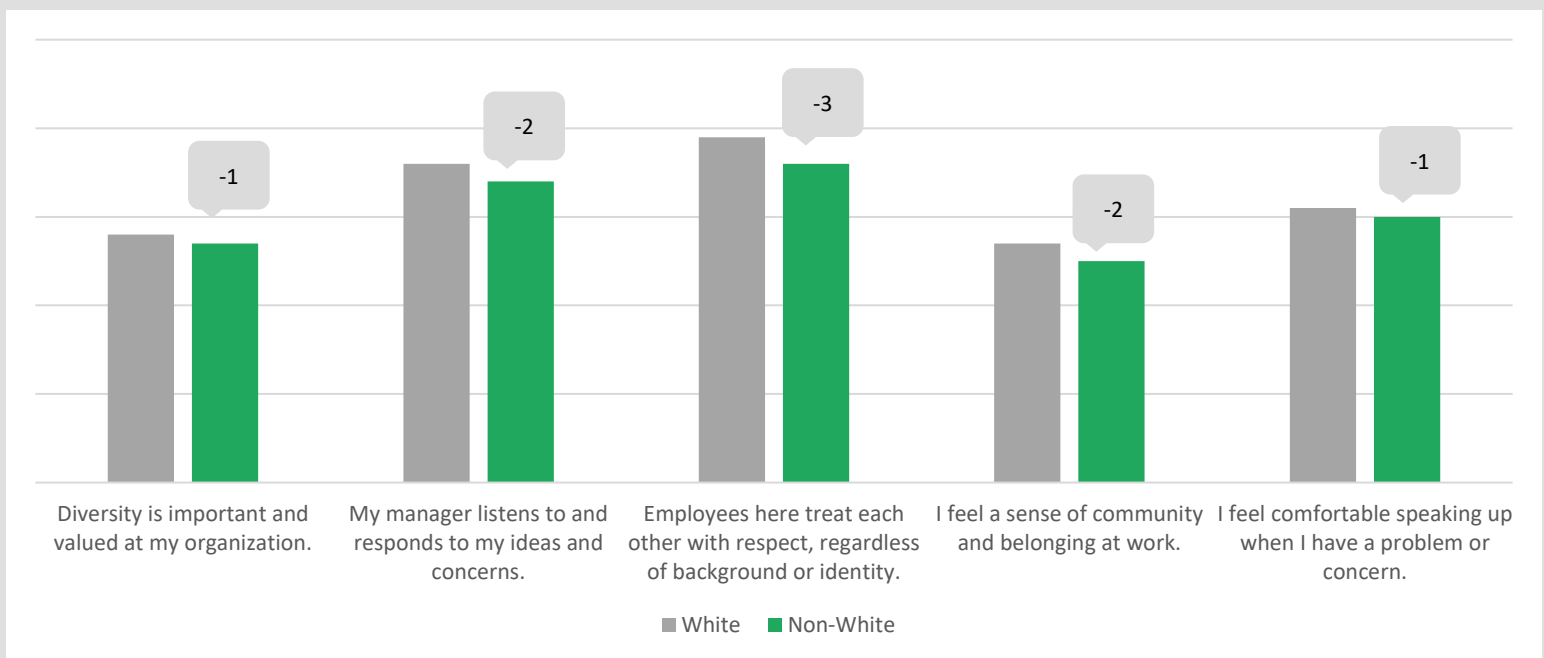


Larger diversity, equity, and inclusion trends can be put into context by more closely examining varying perceptions by demographic group. In this section, 2021 DEI responses are explored by race/ethnicity and gender.

DEI Perceptions by Race/Ethnicity

As in 2020, white employees in 2021 reported more favorable perceptions on DEI survey items. Among several differences, employees who identify as Black, Indigenous, or a Person of Color (Non-White) feel less inclined to agree that all employees treat one another with respect, regardless of their background or identity. This reinforces the important notion that the employee experience is not the same for everyone.

Figure 10. DEI Perceptions by White/Non-White Respondents



Note: There were about 16,500 non-white individuals and about 31,000 white individuals included in this analysis



People who feel that employees at their organization treat each other with respect regardless of background or identity are 10 times more likely to indicate they plan to stay with their company for the next 12 months.

DEI Perceptions by Gender

Men were more likely to report favorable perceptions of DEI items than women, with one exception: women reported more agreement with “Diversity is valued at my organization.”

Figure 11. DEI Perceptions by Men and Women



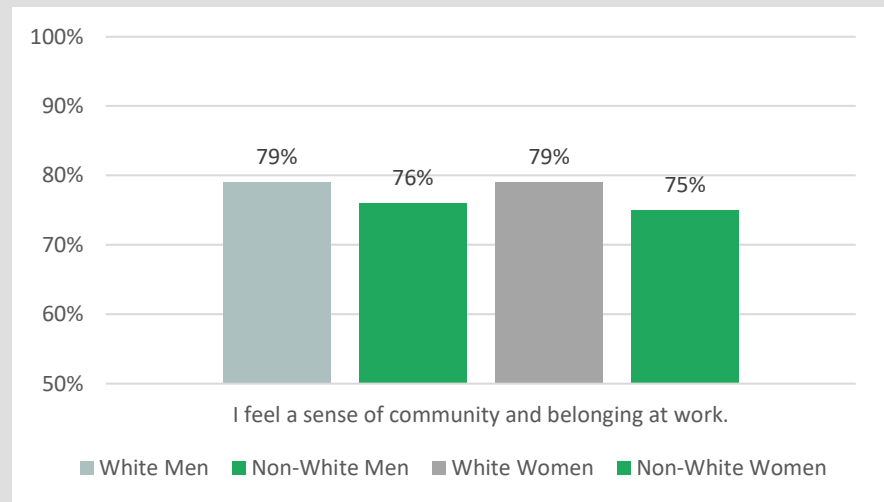
Note: There were about 27,200 women and about 37,800 men included in this analysis.

Belonging Perceptions: Intersectionality

A critical theme from our data this year is centered around belonging. Belonging is a fundamental human need, so it's no wonder that it emerged as a key driver of engagement and an important reason why people intend to stay with their company.

Intersectionality helps us to understand how overlapping facets of someone's identity influence their experience at work. Taking a closer look at our belonging results through the lens of intersectionality (using gender and race) illustrates the importance of this method, because the experience is not the same across all employee groups. White women and white men report similar feelings of belonging at work (79% agreement), followed by non-white men (76%), and then non-white women (75%). This presents an opportunity to bring non-white employees of both genders into the “in-group”.

Figure 12. Belonging Perceptions by Gender and Race/Ethnicity



Note: There were about 18,000 White Men; 8,714 Non-White Men; 12,800 White Women; and 7,700 Non-White Women included in this analysis.

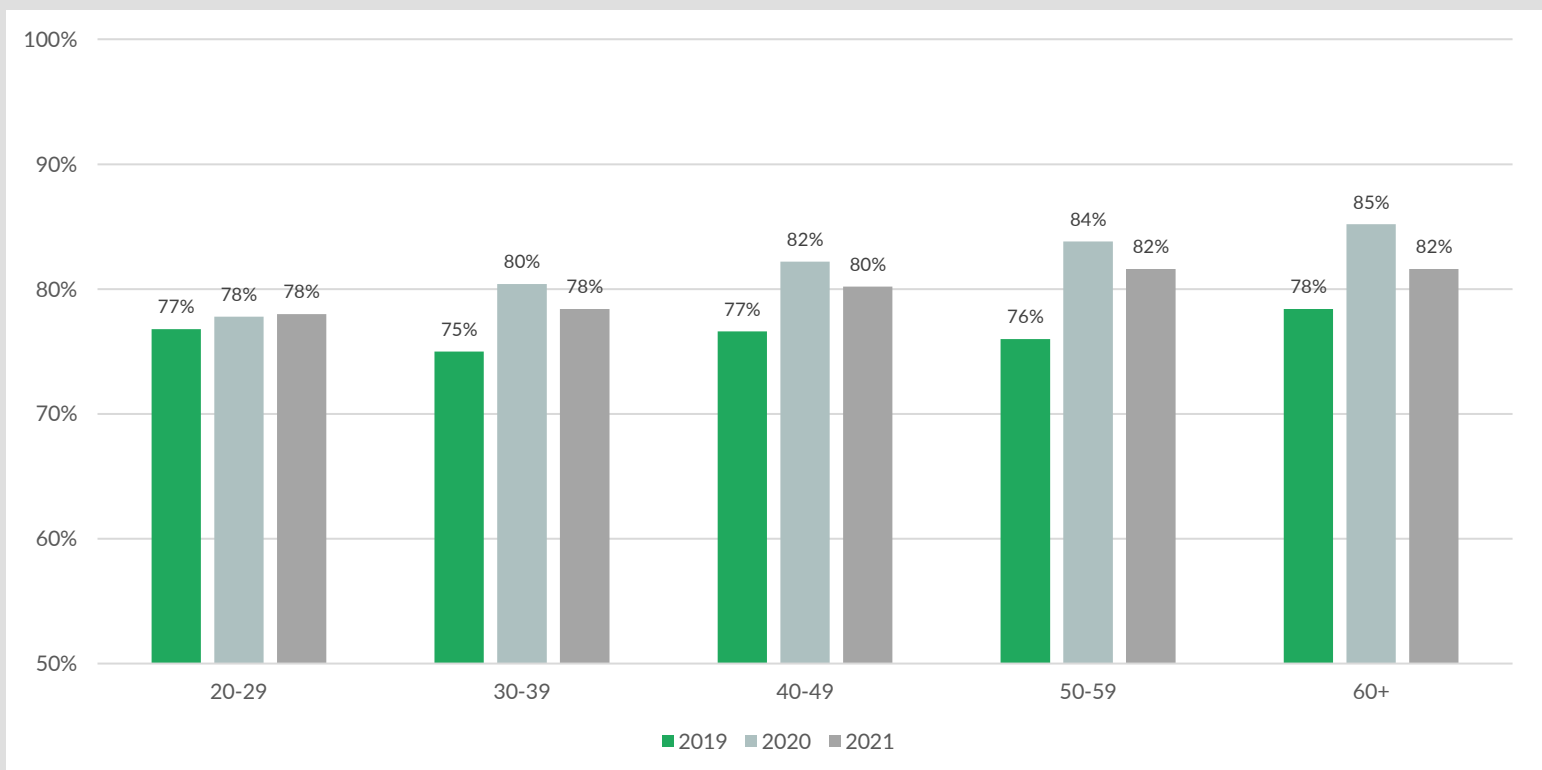
This data suggests we should be asking non-white employees what they need to feel a stronger sense of community and belonging. We should also proactively focus on best practices including creating a safe space where all employees can speak up without negative consequences, providing resources that build a sense of connection (e.g., mentorship and coaching), creating opportunities to build relationships, asking for more input, and offering transparency on all topics from communications to pay equity.

Engagement by Age

For the first time in history, there are as many as five different generations working side by side. As a result, there is understandably much curiosity around the role of generational experience in engagement. You are likely familiar with the common stereotypes associated with both younger and older generations. For instance, you may have heard that younger workers have a poor work ethic, are lazy and easily distracted, and need to be closely managed while older workers, on the other hand, struggle to learn new skills and technologies, aren't as driven and productive, and can be more difficult to get along with. Contrary to these myths about generational differences, the reality is there is not a great deal of variability based on age when it comes to engagement. Newmeasures' research provides helpful insight into engagement across the lifespan. As seen in *Figure 13*, engagement levels were similar across age groups in any given year.

It is important to help employees of varied generations leverage their differences and recognize their similarities. People of different ages bring a diversity of viewpoints to the table, helping to increase innovation and creative problem-solving. Generational diversity can help organizations be more competitive and profitable. As 'belongingness' continues to rise in importance, finding ways to help make connections across generations, such as mentoring and reverse-mentoring, will help to create a stronger sense of community and leverage the value that different perspectives bring.

Figure 13. Engagement by Age

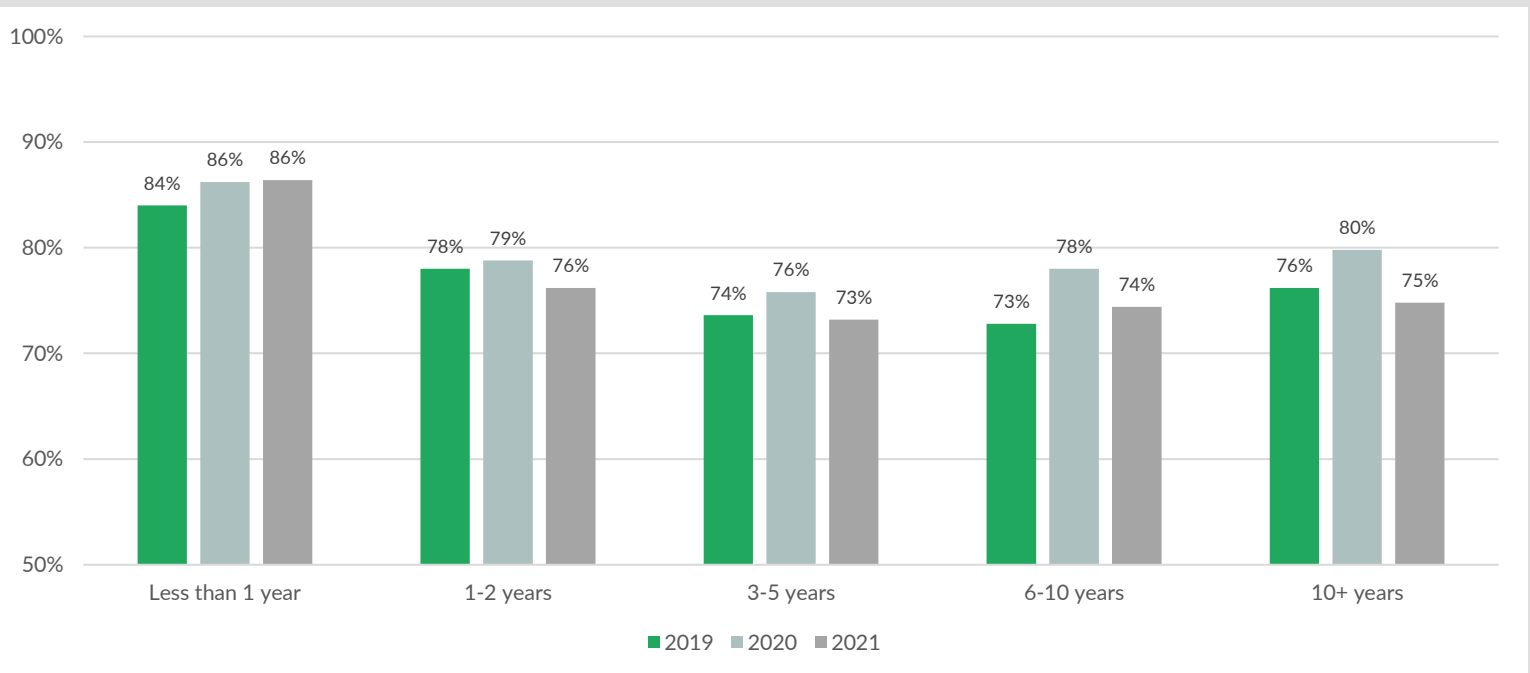


Note: In 2021, there were about 15,000 employees ages 20-29; 21,500 employees ages 30-39, 18,000 employees ages 40-49; 14,000 employees ages 50-59; and 5,700 employees ages 60+ included in this analysis.

Engagement by Tenure

The U-shaped curve of engagement by tenure emerged yet again in 2021. As in previous years, those newest to the organization tend to have the most positive experience while they are still in their “honeymoon phase,” and then engagement declines as employees settle into their role. Those with 3-10 years of tenure tend to report the lowest levels of engagement. These individuals often have something in common: they’re hitting a ceiling. This ceiling often relates to a lack of advancement. For instance, they may experience limits to their career development or professional growth, including lack of promotions, responsibility, or opportunities to acquire new skills and knowledge. As a result, employees who are most engaged during this timeframe tend to be those who continue to find ways to be to be challenged and have opportunities for learning or growth. Employees with 10+ years of tenure are more likely to hold higher positions of formal or informal influence within the organization. Those with long tenure have become experienced with the organization’s systems, processes, and culture, and therefore have a strong desire to support, protect, and guide the organization.

Figure 14. Engagement by Tenure

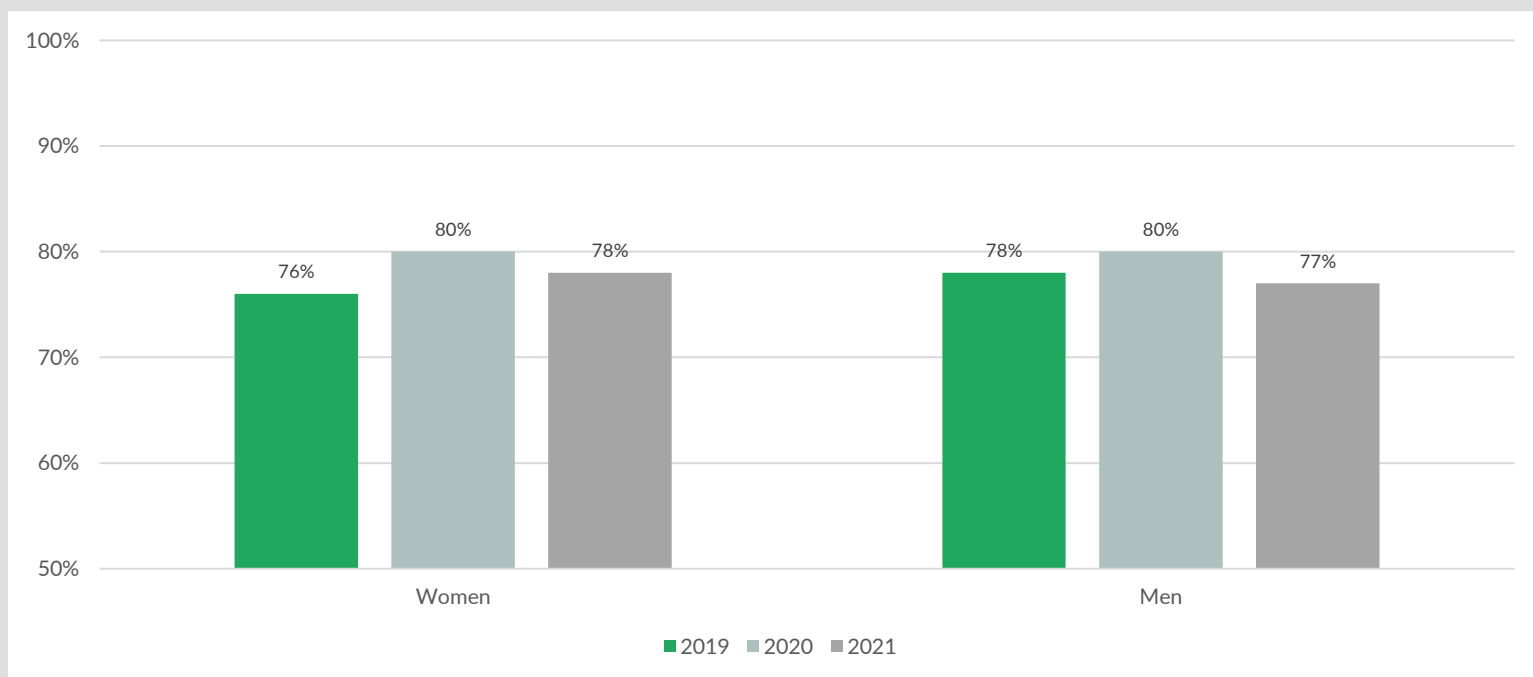


Note: In the analysis for 2021, there were about 19,500 employees with less than 1 year of tenure; 20,000 employees with 1-2 years of tenure; 15,000 employees with 3-5 years of tenure; 10,500 employees with 5-10 years of tenure; and 18,000 employees with 10+ years of tenure.

Engagement by Gender

Engagement levels fell both for women and men in 2021 yet continue to remain relatively similar as seen in previous years. It's important to note that while engagement levels are comparable, certain aspects of the work experience are often perceived to be different by men and women. These gender differences tend to be more pronounced when: (1) one gender comprises a smaller proportion of the workforce than the other, (2) leadership positions are dominated by one gender within an organization, and (3) the industry is traditionally dominated by one gender. Considering most employees tell us they want to work for diverse, equitable, and inclusive employers, senior leaders would be wise to examine culture and policies in terms of how well they support gender inclusivity (as well as a host of other factors).

Figure 15. Engagement by Gender



Note: In the 2021 analysis, there were about 46,600 women and 61,700 men.



Senior leaders would be wise to examine culture and policies in terms of how well they support gender inclusivity.

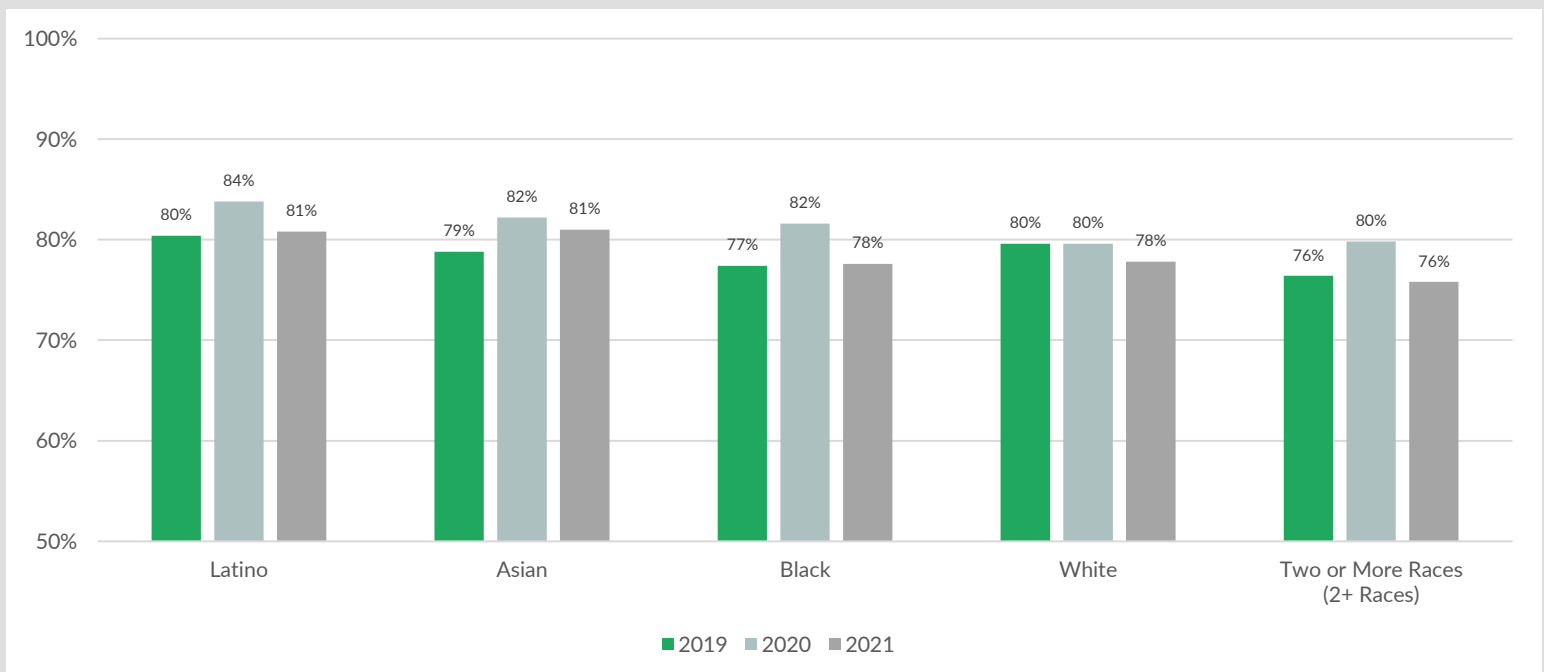
Engagement by Race/Ethnicity

The favorability scores for all examined ethnicity groups decreased from 2020 to 2021. While engagement differences are not large in most cases (with a few exceptions), we do see lower levels of engagement for those who identify as Two or More Races. Like gender, it is important to note that while engagement levels are largely similar, perceptions of specific aspects of the employee experience vary by ethnicity. Organizations must ensure that all employees, regardless of background, feel they are valued members of their organization and can openly and comfortably be themselves.

We know that building a diverse workplace is only the first step—it is not enough to solely have varied representation within your workforce. To fully experience the benefits of diversity, leaders must take it a step further and focus on inclusion and belonging across diverse peoples. The evolving concept of “diversity management” now means creating and maintaining a workforce that is both diverse and inclusive.

The foundation for inclusion needs to be supported across the entire organization. Inclusion and belonging rely heavily on the words and actions of senior leadership, but that is not enough. The embedded, invisible parts of an organization’s culture must also align. Inculcating cultural norms that foster a psychologically safe work environment and combat stereotypes and unconscious bias is essential. Other key organizational practices include supporting equality across evaluation and promotional processes, providing equitable opportunities for development and compensation, and accommodating different needs of people from a wide range of backgrounds, to name a few.

Figure 16. Engagement Perceptions by Race/Ethnicity

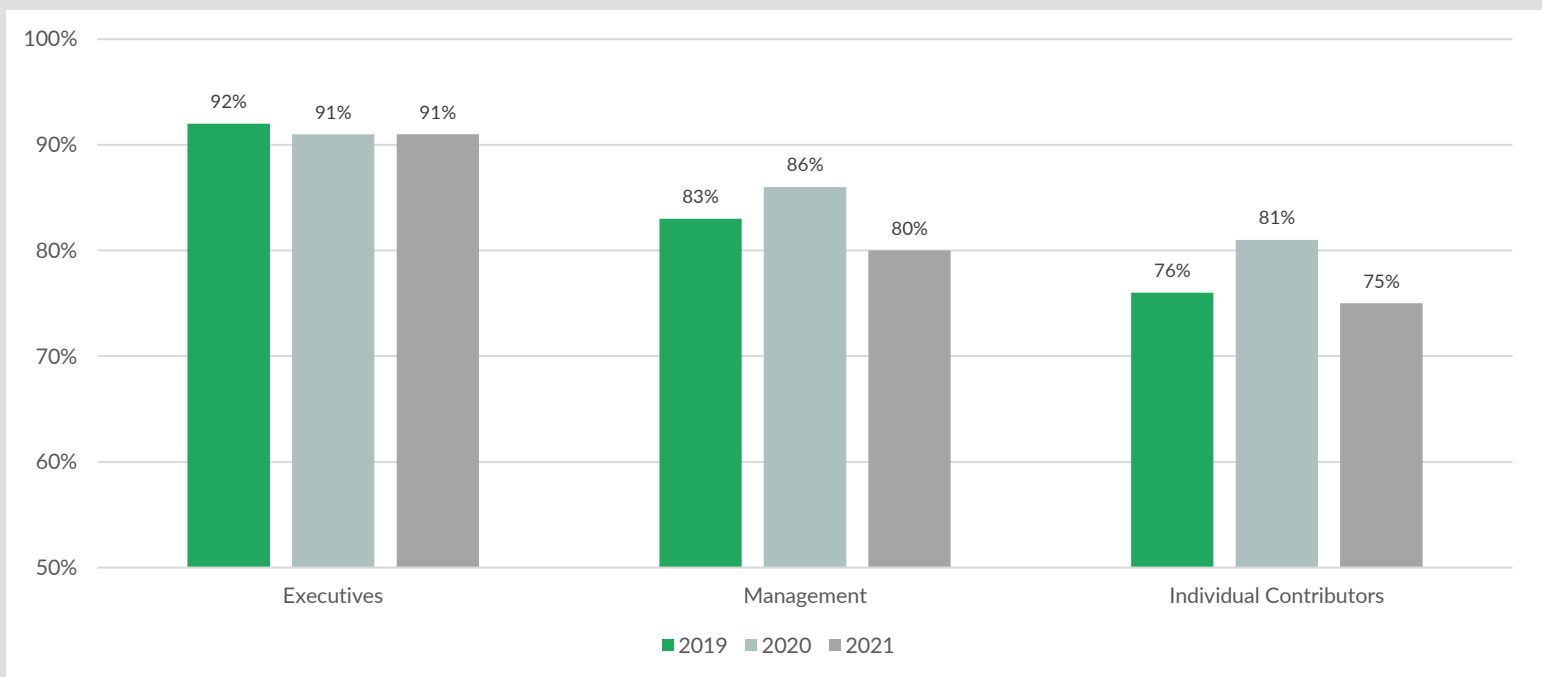


Note: In 2021, there were about 9,000 Latino employees; 5,800 Asian employees; 27,600 BIPOC employees; 10,300 Black employees; 51,000 White employees, and 1,600 2+ Races employees.

Engagement by Job Level

Favorability scores for executives stayed consistent but decreased for management and individual contributors. With the pandemic and the shift to work from home, organizations have been adding to the expectations of the role of manager. Not only are they required to get work done, but there is a new focus on asking this group to be responsible for the well-being of their team members, create a sense of belonging and inclusion, and adapt to changing processes and procedures in the world of online work. In addition, managers have less opportunity to connect face-to-face with employees and are challenged by high levels of turnover and staffing shortages. Given that the role of manager has expanded to be accountable for getting results and caring for people in so many new ways, redefining expectations and supporting them with training, coaching, rewards, and accountability are critical.

Figure 17. Engagement by Job Level




Note: In 2021, there were about 1,160 executives; 9,600 individuals in management; and 57,000 individual contributors.



Given that the role of manager has expanded to be accountable for getting results and caring for people in so many new ways, redefining expectations and supporting them with training, coaching, rewards, and accountability are critical.

The Path **Forward**

- 
- As the COVID-19 pandemic continued to unfold in 2021, engagement declined to pre-pandemic levels and employees re-evaluated their careers in record numbers, resulting in the Great Resignation. With this major exodus, employers are challenged in 2022 to bring new ways of thinking to:
 - **Create a sense of belonging and inclusion**, even while many continue to work from home
 - **Support employee well-being and work-life balance**, while boundaries between work and home are fuzzier than ever
 - **Help employees flourish in their career growth and development** in a way that meets the unique needs of each individual
 - **Communicate a motivating and inspiring vision**, even while facing continued uncertainty and business challenges
 - Organizations that are focused on employee retention and engagement may consider the following strategies as they move into the coming year:
 - **Offer training and support for managers** to help them develop the skills to not only get results, but value people in a way that supports their sense of belonging, well-being, and career growth. Consider what responsibilities can be removed from managers so they have the time to focus on their most important work.
 - **Prioritize flexibility with purpose.** Employees indicate they value working from home and being in the office. However, required office time is best received when it addresses a specific need, such as brainstorming or relationship building. Getting the right mix of the best of both worlds can help maintain culture, boost relationships, and leverage the productivity that comes from uninterrupted work time. Organizations should try new approaches, ask for feedback from employees, and adjust based on learnings.
 - **Get creative with job crafting.** As employees continue to evaluate how work fits into their lives and values, a typical 40-hour work week may no longer fit their personal priorities. Part-time work, job sharing, or hiring more contractors may offer more flexibility that makes it possible for employees to continue to contribute. Allowing employees to help shape their roles so they focus on the things they are most skilled at and passionate about can help with retention.
 - **Play the long game when it comes to building a culture that supports belonging and inclusion.** Continuing to build skills and capabilities that support DEI efforts at the leadership level, setting goals and holding leaders accountable for meeting them, and measuring diversity and employee perceptions over time are necessary to make real movement. Organizations that do so will have a leg up in terms of talent, innovation, and financial outcomes.
 - **Continue to listen to employees.** With the world shifting at record speed, organizations that check in with employees regularly will not only have insight to drive performance and retention, but they will also glean innovative solutions to solve real business challenges. Ask employees: What do people want from work? What kind of investments are meaningful? What solutions do they see to address customer, distribution, or service problems? If people are our most important resource, let's maximize it by tapping into their intelligence and ability to do hard things by listening.



Appendix

Survey Items Used in Intent to Stay Regression Analysis

1. I am given a real opportunity to develop my skills at this organization.
2. I feel a sense of community and belonging at work.
3. Employees here treat each other with respect, regardless of background or identity.
4. I am confident I can achieve my career goals at this organization.
5. My immediate supervisor includes people or perspectives reflecting different backgrounds, beliefs, and identities in department activities and decision-making.
6. I am able to maintain a healthy balance between my work life and my home life.
7. There is opportunity for career growth at this organization.
8. I trust the members of my work group to complete their work on time and to quality standards.
9. This company cares about the personal well-being of its employees.
10. I am paid fairly for the work I do.
11. Diversity and inclusion are valued and supported within the organization.
12. I have confidence in the leadership and the direction provided by senior leaders.
13. The Leadership Team is interested in the well-being of employees.
14. Senior Leaders have communicated a motivating and inspiring vision for the future.
15. I understand my career opportunities with this organization.
16. The senior leadership of this organization is committed to diversity.
17. My job makes good use of my skills and abilities.
18. I feel comfortable bringing my full self to work each day.

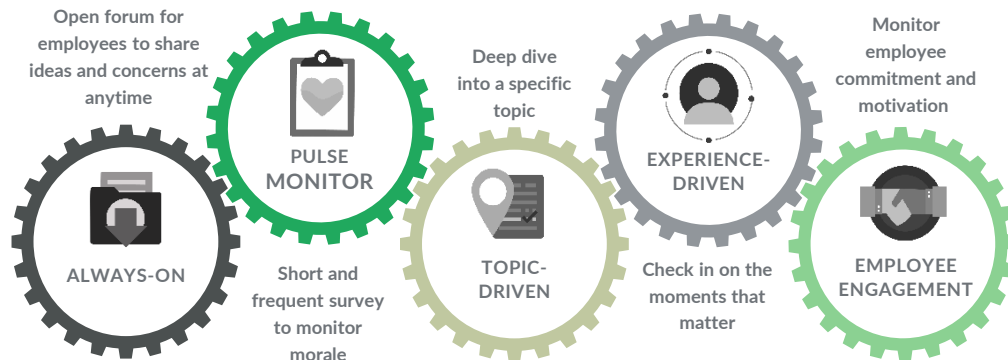
Listening at the Speed of Change

with Newmeasures

As this paper illustrates, we've seen drastic fluctuations in the work experience over the past three years, first due to the pandemic and the shift to working from home followed by the return to office and emergence of hybrid work. In times of great disruption, people's needs and perceptions change rapidly. Does your listening strategy ensure that you are keeping a pulse on the employee experience throughout the year? Are you leveraging data to make informed, agile, and strategic people decisions in real time?

Newmeasures' suite of products and services equips clients to continuously understand the current landscape of the employee experience. By utilizing multiple listening methods and aligning measurement with the business strategy, our clients gain the insights they need to make predictions and informed decisions. In addition, every offering includes a built-in system of action to ensure that feedback results in positive changes and business impact.

[Contact us](#) to elevate your approach and generate insights that ignite your business.



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