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Achievers

Engagement
and Retention
Report

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Could you see a 52% turnover in 2021?

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Introduction

Welcome to the fourth annual Engagement and Retention Report from Achievers Workforce Institute.

With COVID-19 still in full swing, we didn't know what to expect from the 2021 survey. Most years we see incremental changes, but in 2021 a surprising 52% of employees said they intended to look for a new job. Everyone we interviewed was employed, so this isn't a reflection of the increasing unemployment rate. Instead, we suspect that going through a crisis has highlighted company values and culture, causing employees to become more discerning about the type of organization they want to work for.

A crucial area of concern is work-life balance. One in four (25%) named work-life balance as the reason they would job hunt, with almost as many (23%) saying it was the main reason they would stay at their company. This shows that organizations must focus on balance to attract and retain employees. Knowing whether your employees are satisfied with their current balance should be your first stop. Introduce work-life balance questions into your pulse survey and encourage managers to discuss the issue in their one-to-one meetings.

While you may think that working from home has alleviated some work-life balance concerns, fear of being seen as unproductive is motivating many to work longer hours. More than half (51%) of employees who are currently working from home said they worried that their manager had doubts about their productivity during remote work. When asked what they were doing about these concerns, nearly half (44%) reported either starting earlier or working later, and more than a third (37%) are skipping lunch breaks. Managers who previously managed based on time in-office need to be given guidance and training on results-oriented management, focusing on outcome not input.

Another area of concern that is COVID-19 related is the 46% of employees who say they feel less connected to their company now than they did before the pandemic. When employees were asked what had impacted company culture during COVID-19, one in four said there had not been enough effort to keep remote workers connected. Three-quarters of respondents (78%) reported working from home during COVID-19, so this should be an area of concern for HR leaders trying to maintain engagement during the pandemic. From virtual social events to online team building, finding ways to build and maintain connection during the COVID-19 crisis is critical. The easiest way to identify the supports that employees need is to ask them directly through a survey or continuous listening tool.

Looking at the results beyond COVID trends, recognition again stands out as a protective factor for turnover, with employees who more recently received recognition reporting lower levels of intention to job seek. The simple power of consistently saying "thank you" is often underestimated, yet creating a culture of recognition will not only reduce turnover but will increase engagement and productivity.

Finally, we see that many organizations are failing to take action based on employee feedback. While almost two-thirds (60%) say their employer has sought their feedback on improving the employee experience, just 16% say their employer always takes action on their feedback. Without consistent action, you are likely to see an increase in what we call "inaction fatigue" whereby people are less likely to answer surveys or contribute to continual listening tools if they believe nothing will come of their feedback. The common concern of survey fatigue is usually driven by inaction fatigue.

HR leaders are facing unique challenges right now and need to prioritize the top factors to improve engagement, retention, and employee satisfaction. This report is intended to help HR and business leaders connect the dots on engagement and retention to reduce turnover and improve results thanks to a more enthusiastic and committed team. I hope you find it helpful for your annual and strategic planning and as you navigate these challenging times ensuring your organization can thrive.



Natalie Baumgartner, PhD
Chief Workforce Scientist,
Achievers Workforce Institute





Key findings



Half of employees will look for a new job in 2021

A whopping 52% of respondents say they will job hunt in 2021 — up from 35% in 2020. The main reasons for job seeking are better compensation and benefits (35%) and better work-life balance (25%). For employers looking for retention strategies to prevent this increased turnover, the top reasons for staying in a current role are work-life balance (23%) and recognition (21%).



Improving employee engagement relies on more than fun perks

Employee engagement is crucial for retention. Achievers Workforce Institute statistical analysis shows that respondents who are engaged are significantly less likely to job hunt. However, just one in five (21%) of respondents say they are very engaged and planning to stay with their company for a long time. However, employee engagement relies on more than free lunches or ping pong tables. Two-thirds (66%) of employees would be more engaged at work if employers improved company culture, while more than half (52%) would be more engaged if their employer improved its diversity and inclusion.



Manager recognition drives employee engagement

One in five (20%) of employees say feeling underappreciated for their contributions is hindering their engagement at work, and two in five (40%) employees say their manager is just “okay” at recognizing their work. More than two thirds (69%) of employees think their relationship with their manager would improve if they recognized them more. More than a third (34%) of employees do not feel valued by their superiors at work, and Gen Zs (43%) are the most likely not to feel valued.



Employers ask for feedback, but many don't act on it



Three in five (60%) employees say their employer has solicited their feedback on how to improve the employee experience, 52% have solicited feedback on how to improve company culture throughout the pandemic, and 51% have solicited their feedback on remote/hybrid work preferences post-pandemic. However, when it comes to implementing actions from employee feedback, more than a third (34%) of employees say their manager/employer is 'okay' at acting on it and discuss the feedback and make a few changes based on it. Another 18% of employees say their manager/employer is 'horrible' at acting on feedback and they never do anything with the feedback.



Remote work fuels employee stress about productivity doubts

Of those employees currently working from home, half (51%) worry their manager/supervisor doubts their productivity while working remotely. This worry may contribute to employee burnout as nearly half (44%) of employees say the worry that their manager/supervisor doubts their productivity while working remotely has prompted them to log into work earlier or stay online later.



Employees do not feel connected to their company

Nearly half of employees (46%) feel less connected to their company or colleagues since the start of the pandemic, compared to just 38% saying they feel more connected since the start of the pandemic. In addition, 42% say company culture has diminished since the onset of the pandemic, with most employees placing the blame on a lack of communication (26%) or lack of effort to make remote employees feel connected (25%).

69% of employees have one foot out the door

Half of employees plan to actively job hunt in 2021 – up from one third in 2020

Could organizations see turnover of 52% in 2021? According to the latest Achievers Workforce Institute survey, that's how many employees plan to look for a new job in 2021. That's a 43% increase over 2019 and 2020 when just one third (35%) said they expected to job hunt.

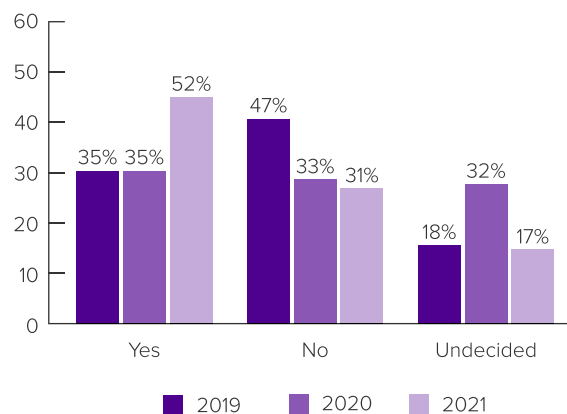
When we include those who are undecided about whether they'll look for a new job we see that two-thirds of employees are not committed to their current roles.

Only employed people were surveyed, so this change does not reflect increasing unemployment numbers. While compensation and benefits remain the top reasons for looking for a new job, work-life balance is the second highest motivator, with one in four employees saying that is the main reason they would job hunt in 2020. Work-life balance is the number one motivator to stay in their current role, showing that employers need to focus on work-life balance as both a recruitment and retention strategy. While compensation matters, it isn't the top factor when it comes to retention. Work-life balance and recognition both rate higher than compensation for retaining top talent. Salaries need to be competitive, but other factors matter more for those who want to stay with their current company.

With many people now working from home, employers could be forgiven for assuming that work-life balance had improved. However, this survey showed that 51% of people currently working from home are worried that their manager doubts their productivity and more than 40% are working longer hours to try and negate this concern.

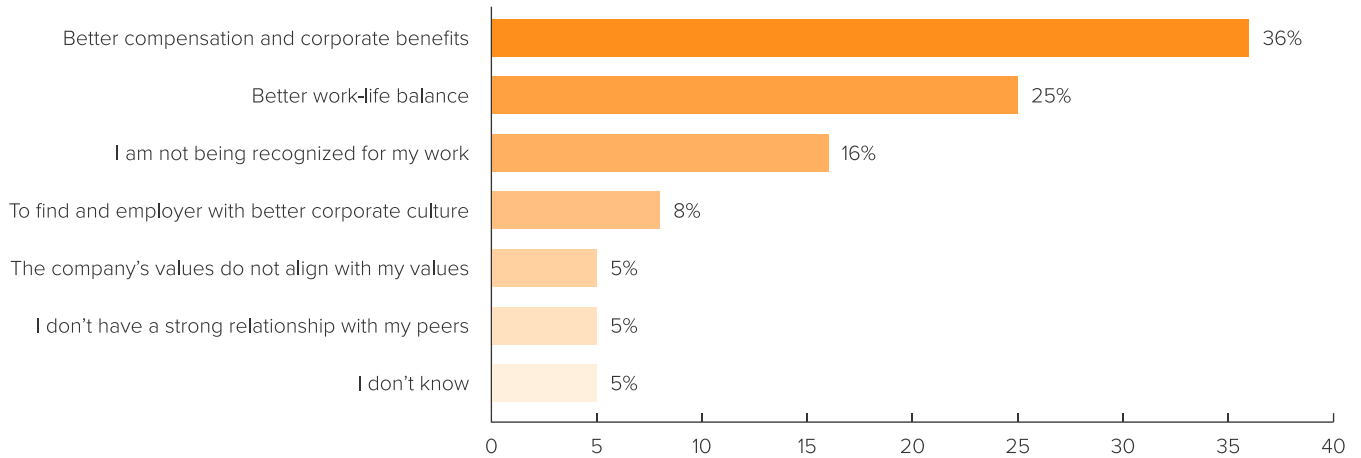


● Do you plan to look for a new job this year?



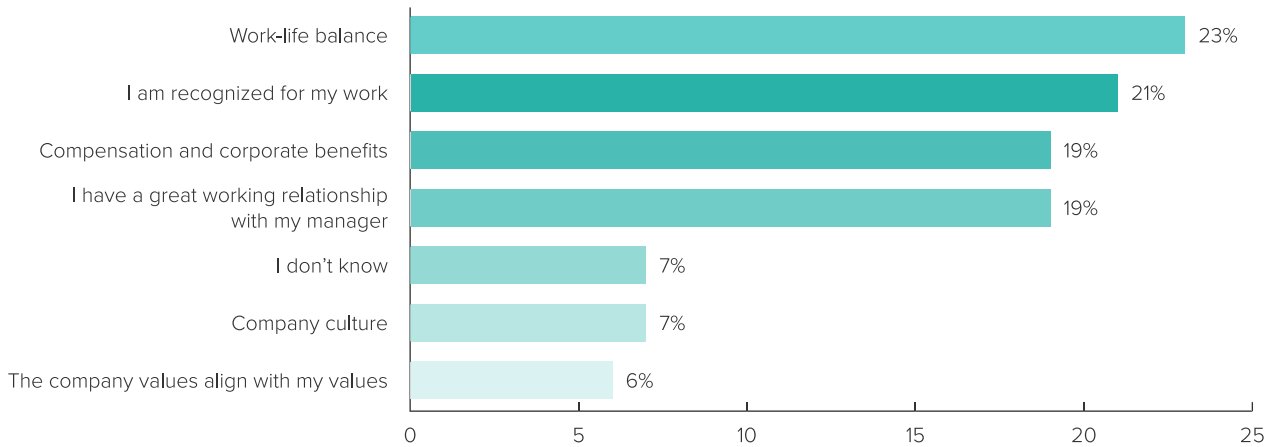
Compensation and benefits are #1 reason for switching jobs

● What's the main reason you're considering/would consider switching jobs in 2021?



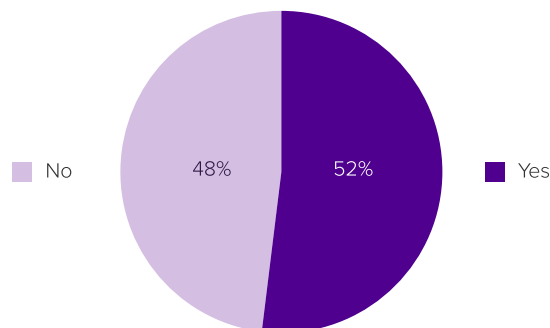
Work-life balance and recognition are the top reasons to stay in their current role

● Which of the following best describes why you would remain at your current employer?



Half of workers looked for a new job during the pandemic

● Did you look for a new job during the pandemic?

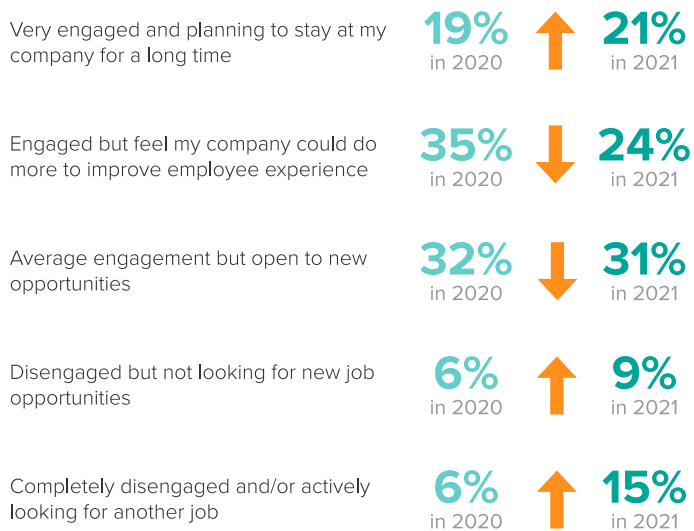


ONLY **21%** of workers are very engaged

A disengaged nation

One in five employees describe themselves as very engaged. This is a small increase from 2020, however, those describing themselves as disengaged or completely disengaged increased from 14% in 2020 to 24% in 2021 — a change of 10 percentage points or 71%.

● How engaged are you in your current job?

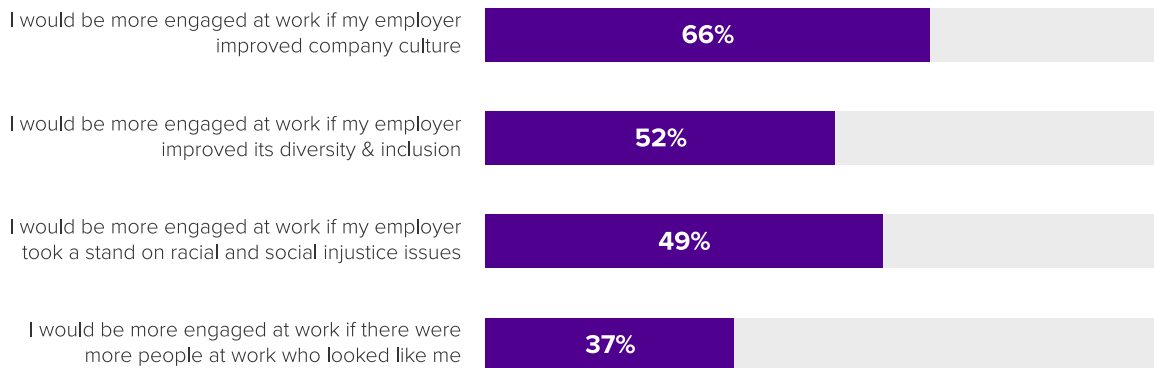


Sense of belonging proved to be an important influence on engagement, with 92% of those who are very engaged feeling a strong or very strong sense of belonging.

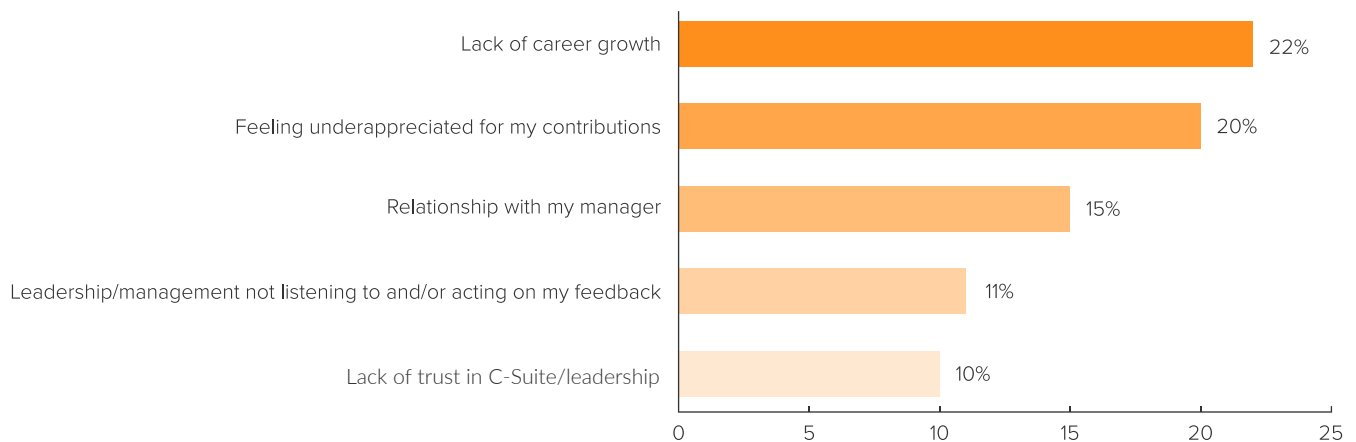


71% more people are disengaged in 2021 than in 2020

● What would make you more engaged?



● Which of the following is hindering your engagement at work?



Recognition: The engagement booster

We know from the [Achievers Workforce Institute 2020 Culture Report](#) that more frequent recognition has a direct positive impact on engagement. The more recently someone was recognized, the higher their engagement was likely to be.

However, just 16% of employees described their manager or company as “awesome” at recognition and 20% say feeling unappreciated is hindering their engagement at work.

What’s more, more frequent recognition was a predictor of lower intentions to job hunt. Those who said their manager or company was horrible at recognizing were more likely to be intending to look for a new job in 2021.

- How good is your manager/company at recognizing your work?

- 16%** **Awesome:** I’m recognized at least once a week
- 26%** **Pretty good:** I’m recognized at least once a month
- 40%** **Okay:** I’m recognized annually or quarterly at least
- 18%** **Horrible:** my work is never recognized

Five pillars of effective recognition

The Achievers Workforce Institute has five pillars that contribute to making recognition more effective at driving engagement and results.

Frequent: Recognition should occur at least monthly

Public: Recognition should be shared with the team or company

Timely: Recognition should occur shortly after the event being recognized

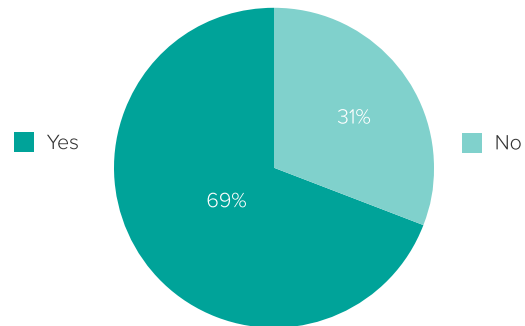
Specific: Recognition should detail why it’s deserved

Values-based: Recognition should support company values

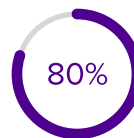
At Achievers we say: What gets recognized, gets repeated. Make sure your recognition solution is designed to reinforce the right behaviors and support the five pillars.

Two-thirds of employees say more frequent recognition would improve their relationship with their manager

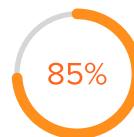
- Do you think your relationship with your manager would improve if they recognize you more?



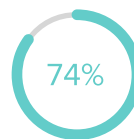
Three-quarters of respondents wish they received more recognition



A strong recognition culture makes a company attractive to work for



When I receive recognition, it motivates me to work harder



I wish I received more recognition for my work



Inaction fatigue

While up to 60% of employees say their organization has sought their feedback on key issues, almost as many say their organization isn't very good at taking action based on this feedback.

A common concern heard by Achievers Workforce Institute is that more frequent surveys will result in survey fatigue. However, research shows that as long as organizations take action on survey results, employees will be happy to continue to give their feedback. However, inaction fatigue is a real concern. When employers continually ask questions but take no action on the feedback shared, employees feel unheard and undervalued.

- My employer has solicited feedback on:

- 60%** How to improve the employee experience?
- 54%** How to improve company culture throughout the pandemic?
- 52%** Remote/hybrid work preferences after the pandemic?
- 48%** How to improve diversity and inclusion?
- 44%** How to get involved with racial and social justice matters that are important to you?

- How good is your manager/company at acting on feedback you give?

Horrible – they never do anything with our feedback	22% in 2019	23% in 2020	19% in 2021
Okay – they talk about feedback and make a few changes based on it	42% in 2019	44% in 2020	33% in 2021
Pretty good – they generally address our feedback	26% in 2019	24% in 2020	28% in 2021
Awesome – they always acknowledge our feedback and take action to improve	10% in 2019	9% in 2020	16% in 2021

Just 16% say their employer always takes action on their feedback

While just one in six say their manager or company always takes action to improve based on feedback, this is an improvement over the past two years when just one in 10 agreed with that statement.

This shows that some employers are buying in to the message that action is a crucial part of surveys, but 16% is still too low to be having widespread impact.

Recommendations

01

Technology that unifies your employee experience

As this report shows, employee engagement is critical for reducing turnover. An all-in-one employee experience platform brings together the resources, tools, and technology your employees need to become and stay engaged. From recognition to continual listening tools, the right platform can ensure you are tracking and driving employee engagement every day.

02

Invest in tools to support action following feedback

Many organizations are failing to take action on feedback, which discourages employees from taking part in feedback such as surveys and continual listening tools, as they feel nothing will come of their sharing. Ensure your feedback tool incorporates action planning as part of the feedback process to support managers and leaders in turning employee feedback into actionable insights.

03

Focus on driving work-life balance

Work-life balance is crucial for both recruitment and retention. Employees want to know they will be able to meet their personal obligations such as childcare or elder care, as well as having downtime to rest and recover. Start by asking employees, either in one-to-one meetings or through a quarterly pulse survey, whether they feel they are able to balance their work and personal commitments. If they are not, ask how they could be better supported. Remember, balance starts at the top so make sure that leaders and managers are taking vacation and shutting off in the evenings and on weekends.

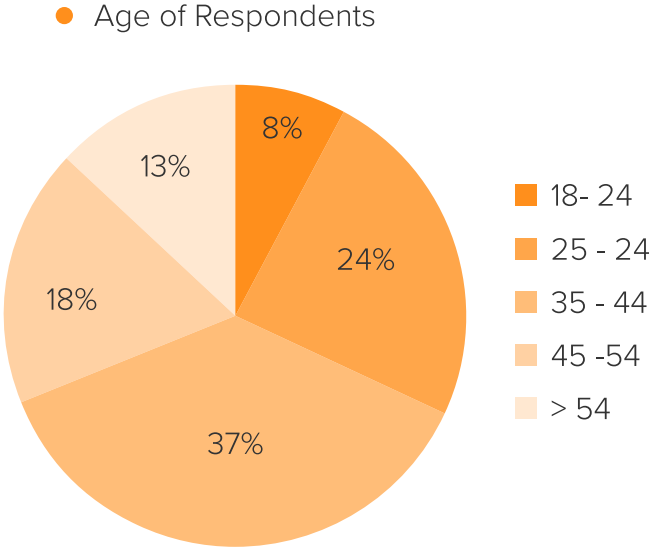
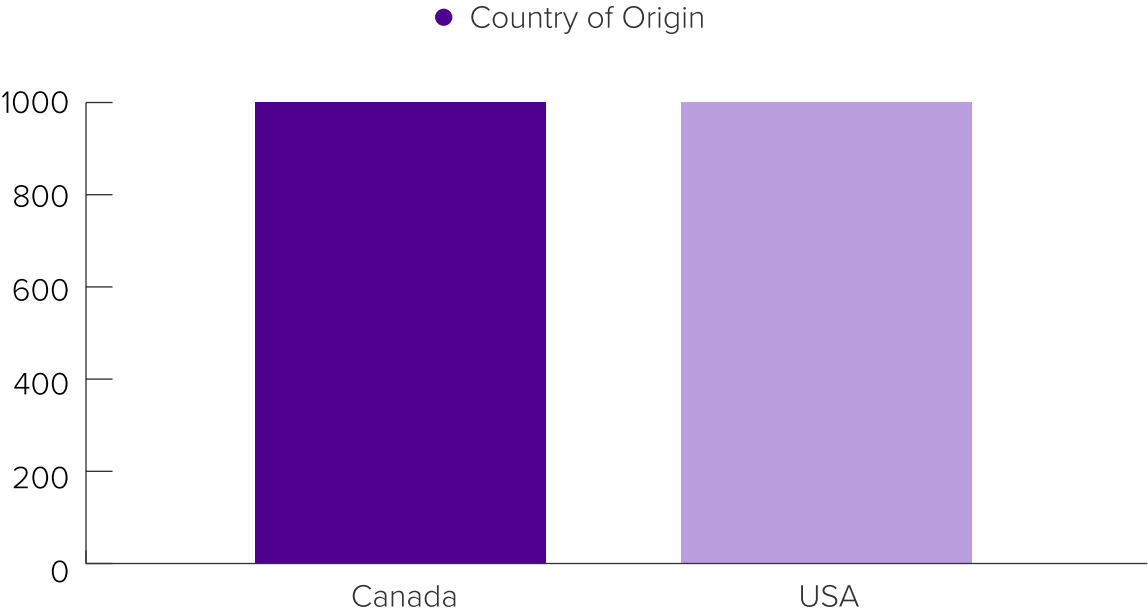
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Build a culture of recognition

Recognition is the easiest and most effective way to improve engagement company-wide. A culture of recognition, supported by a robust recognition platform, ensures that a simple “Thank you” goes a long way. Achievers Workforce Institute data shows that at least monthly recognition is required to improve engagement levels. Train managers in what effective recognition looks like and hold them accountable for recognizing their teams regularly. Peer-to-peer recognition is equally impactful on engagement and can be a low or no-cost way to increase recognition frequency throughout your organization.

About the report

Achievers Workforce Institute surveyed 2,000 employed respondents in February 2021.



About the Workforce Institute

The Achievers Workforce Institute is the science and research arm of Achievers. It is known for making cutting edge workforce science accessible to leaders, guiding them in how employee recognition, employee voice, and manager empowerment drive business results.

Visit achievers.com/workforce-institute to learn more and subscribe to our updates.



Great culture is the ultimate driver of organizational success. Achievers' employee voice and recognition solutions bring your organization's values and strategy to life by activating employee participation and accelerating a culture of performance.

Achievers leverages the science behind behavior change, so your people and your organization can experience sustainable, data-driven business results anywhere in the world. Integrated insights fuel smarter solutions that deliver just-in-time nudges to the entire organization and an industry-best customer success and support team guides you on every step of the journey.

Contact Us Today



Toronto | Pleasanton | London | Melbourne
experts@achievers.com
www.achievers.com

Global Offices

United States

6220 Stoneridge Mall Road
Pleasanton, CA 94588
U.S.A.
Phone: 1-925-226-9990

Canada

190 Liberty Street, Suite 100
Toronto, ON M6K 3L5
Canada
Phone: 1-888-622-3343

Australia & Singapore

Level 2, 534 Church St,
Richmond, Victoria, 3121
Australia
Phone: +61 3 9107 4418

UK/EMEA

Blackhawk Network
Westside London Road
Hemel Hempstead
HP3 9TD
Phone: 0344 3815061