2021 Employee Experience Trends

The HR leader's guide to the trends shaping the future of employee experience

Employee Experience:
A global snapshot

We surveyed more than 11,800 full-time employees from 20 countries to see how the employee experience has changed in 2020. As well as showing what the experience looks like in 2020, it highlights key areas employers can focus on in 2021 to have the biggest impact on their people.

Engagement score

66%

↑ +13 v 2019

Intent to stay

70%

↑ +17 v 2019

Listening to feedback regularly

69%

↑ +6 v 2019

Taking action on feedback

27%

↓ -7 v 2019

In this report, we'll delve deeper into the drivers behind these changes and explore the employee experience landscape of the world's workforce as we enter 2021 and beyond.

Foreword: The year of belonging

2020 will be remembered as the year the employee experience changed forever. The entire workforce was tested in ways they've never faced. From a global pandemic, social unrest, physical separation, and many others, leaders are rethinking and reshaping how to take care of their people. As we look to the future, different trends are emerging that will make the workplace better all around.

DEI initiatives are top of mind

Across our research before and during the pandemic, we've seen two new items emerge as the strongest drivers of employee engagement – a sense of belonging, and a sense of pride in the company's efforts to have a positive impact on the world.

People need to feel like they belong

During our research we found one big influence on belonging: managers. Empowering managers can have a powerful knock-on effect to improve belonging and engagement.

Work-life balance

Perhaps fueled by the rise of "always connected" work, and the increased blending of work and life, we're seeing that employees are more cognizant than ever of managing their own personal well-being. Companies that don't enable employees to recharge or set boundaries, or even enable fulfilling work will lose out on talent.

Despite the challenges of balancing work and home life, we found good news among the chaos. Overall, global employee engagement has risen. And leaders are listening more to their people.

However, despite listening more, leaders are not actioning the feedback they're getting. And this unfortunately can do more harm than not listening at all.

Next steps

All organizations are different, and all the people within them have different needs. There is no-one-size-fits-all solution for fostering belonging in the workplace. What's important is to listen to what your individual people need – and most importantly, action that feedback to meet those needs.

Jay Choi
EVP and GM of EmployeeXM,
Qualtrics

Meet our experts

LEAD AUTHORS

Lindsay Johnson, PhD
XM Scientist, AMER

Yesenia Cancel, MSc
XM Scientist, AMER

Marcus Wolf, MA
XM Scientist, AMER

CONTRIBUTING AUTHORS

Thivia Mogan, MSc
XM Scientist, AMER

Rebecca Masson, PhD
XM Scientist, AMER

Jake Outram, MSc
XM Scientist, EMEA

Cecelia Herbert, PhD
XM Scientist, APJ

Antonio Pangallo, PhD
XM Scientist, APJ

Tika Wadhwa, MA
XM Scientist, AMER

Sarah Marrs, MSc
Product Scientist, EMEA

Anne Raeven, MA
XM Scientist, EMEAA

Laura Harding, MSc
Product Scientist, EMEA

Melissa McMahan, PhD
Product Scientist, AMERR

Lauren Rice, PhD
XM Scientist, AMER

Vanessa Kowollik, PhD
XM Scientist, EMEA

Tara Di Domenico, MA
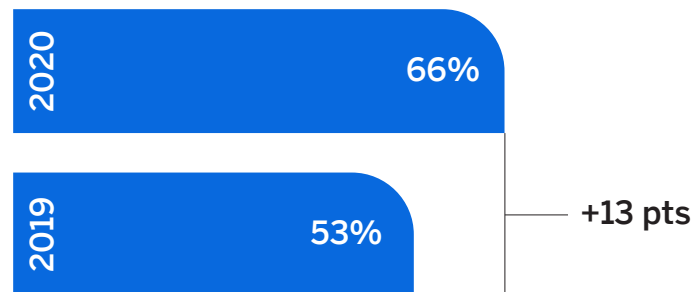XM Scientist, AMER

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Employee Experience in 2020

Employee engagement:
Can we keep improving into 2021?

Despite the challenges of 2020, employee engagement has increased.

Engagement

The level of employee engagement went up by 13 points in 2020 compared to 2019.

2020 66%

2019 53%

+13 pts

2020 has been a year of seismic change. The way the world works, lives and relates has profoundly shifted, maybe for good. And yet in a time of organizational disruption and physical separation, employee engagement has grown. Our data shows a leap in engagement from 53% in November 2019 to 66% in November 2020.

"When leadership is visible and regularly communicates in a trustworthy way we see engagement rise. Plus, when managers support their employees and listen, as well as act, on their feedback, engagement is strong. Even in times of organizational disruption."

Vanessa Kowollik, XM Scientist, Qualtrics

How we measure employee engagement

Engagement is a composite score of five main factors:

1/ Discretionary effort – the desire to go above and beyond

2/ Pride in work and the organization

3/ Advocacy for the organization

4/ Feelings of accomplishment from work

5/ Intention to stay

Intent to stay:
How 2020 uncertainty will affect 2021

During 2020, employees' intent to stay 3 years or more in their current company went up by 17 points.

Intent to stay

The percentage of people who say they're intending to stay in their position varies by job role

2020 70%

2019 53%

+17 pts
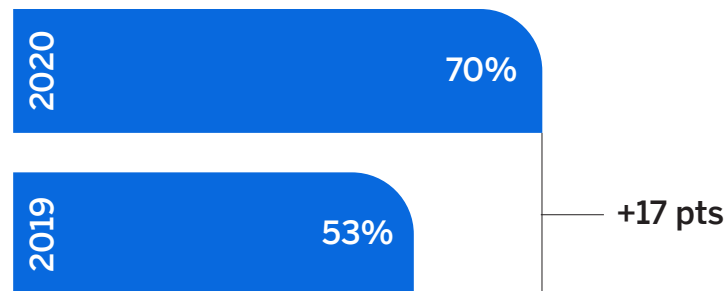
> **It may be that this boost in intent to stay directly reflects higher levels of engagement, a reduction in job opportunities or simply a preference for the known versus the unknown at a time of crisis.**

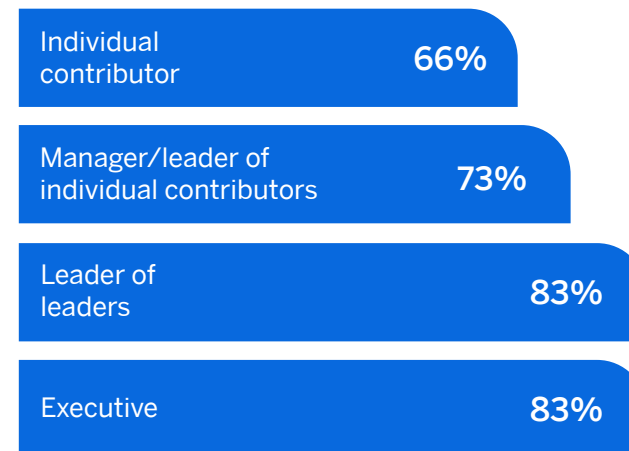**Marcus Wolf,** XM Scientist, Qualtrics

Intent to stay is highest at executive levels

Executives expressed the highest levels of intent to stay (83%) and were also the most engaged (85%) compared to those less senior.

Intent to stay by job role

The percentage of people who say they're intending to stay in their position varies by job role

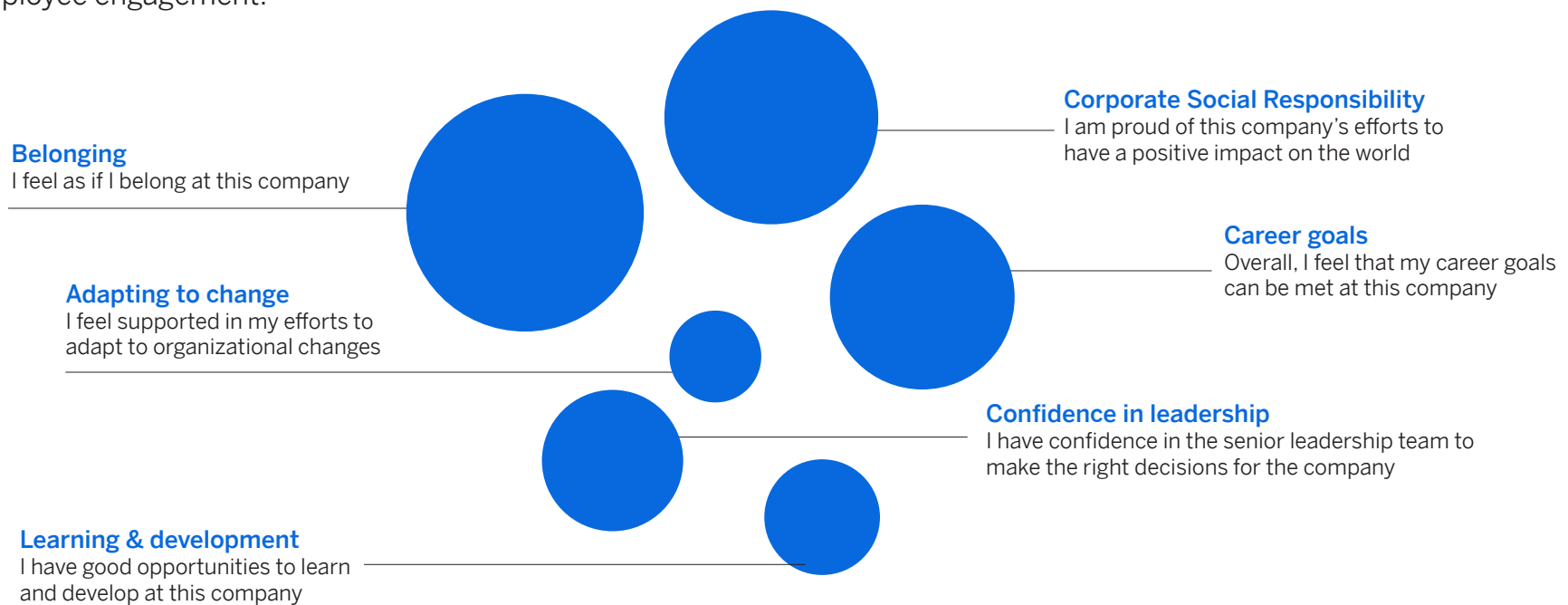| Individual contributor | 66% |
Manager/leader of individual contributors	73%
Leader of leaders	83%
Executive	83%

What's driving employee engagement?

Enduring engagement drivers like listening and feeling supported have remained stable during the upheavals of 2020. But we have also seen some major shifts in what powers engagement.

Decades of research showed that drivers like confidence in senior leadership and opportunities for learning development were key drivers of employee engagement.

But in the midst of a global crisis, concerns around environmental and ethical practices, plus reignited discussion around racial injustice, new drivers have emerged – and soared straight to the top of what influences employee engagement.

Corporate Social Responsibility
I am proud of this company's efforts to have a positive impact on the world

Belonging
I feel as if I belong at this company

Career goals
Overall, I feel that my career goals can be met at this company

Adapting to change
I feel supported in my efforts to adapt to organizational changes

Confidence in leadership
I have confidence in the senior leadership team to make the right decisions for the company

Learning & development
I have good opportunities to learn and develop at this company

Learn how to improve the employee experience with our ultimate guide.

Learn more

Belonging and CSR take center stage

Across our research before and during the pandemic, we've seen two new items emerge as the strongest drivers of employee engagement – a sense of belonging, and a sense of pride in the company's efforts to have a positive impact on the world.

A 73% majority of employees feel a sense of belonging at their organization.

In last year's report, the two leading drivers were confidence in senior leadership (53%) and opportunities for learning and development (60%).

Belonging is highly correlated to engagement. 20% of employees who feel they don't belong are engaged, vs. 91% of those who feel they do – that's 3.5x more.

In the wake of a pandemic, calls for racial justice, and unprecedented change, it's even more important for your people to feel they have the space to be their authentic selves. And not only that, but what they're a part of is having a positive impact on the world. It makes sense that these ideals are becoming integral to the employee experience.

Lindsay Johnson, XM Scientist, Qualtrics

"We all know what it feels like to belong, or to fit in with others. Feeling like you can be your unique and authentic self at work and also connected to those around you fulfills our core need to form and maintain strong, stable interpersonal relationships with others."

Cecelia Herbert, XM Scientist, Qualtrics

How can you boost belonging?

Belonging and pride in CSR are more closely connected than you might expect. Pride in CSR has a strong impact on a sense of belonging, as do open and honest communication, being valued as part of a team, and feeling supported in adapting to organizational change.
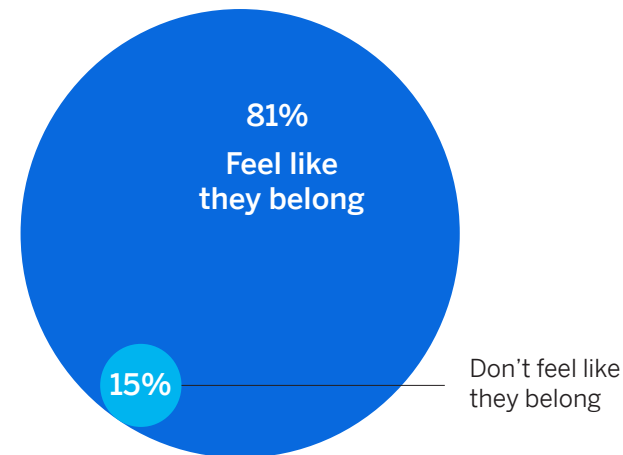
What influences belonging?

Our study showed there were four key factors that influence people's sense of belonging:

1/ I am proud of this company's effort to have a positive impact on the world

2/ There is open and honest communication at this company

3/ I feel like a valued member of my team

4/ I feel supported in my efforts to adapt to organizational changes

Employee engagement + belonging

When we look at the employee engagement scores for those who feel like they belong vs those who don't, it's clear how big an impact it has:

81%
Feel like they belong

15%
Don't feel like they belong

In our research we found one thing that had a big influence on belonging: manager effectiveness.

Empowering managers can have a powerful knock-on effect, which improves belonging and engagement.

Find out more about manager effectiveness   **Learn more**

Improving employee experience in your organization

Improving employee experience in your organization

The key drivers of employee engagement shifted significantly during 2020. In this section we'll look at three areas that, based on our study, can have the biggest impact on the people in your organization in 2021:

1/ Employee well-being

In 2020 employee well-being rose to become a core metric of our engagement model and is a major area organizations can focus on as they continue to face disruption in 2021.

2/ Taking action on feedback

Asking for feedback is just the start — not taking action on it is worse for engagement than not asking for it in the first place. Closing that gap should be a priority in 2021.

3/ Manager effectiveness

Managers play a huge role in helping with engagement, well-being, belonging, resilience - in fact almost every key driver we've looked at. In 2021, make sure sure your managers have the support they need to improve the experience for their teams.

Want to improve the experience for your people?   **Book a demo**

1/ Employee well-being

Employee well-being

Well-being is an essential part of the employee experience, particularly in times of disruption. In 2020, it became a major focus for most organizations, and alongside engagement and enablement, became a core outcome of our engagement model.

67%
of employees worldwide rated their well-being favorably.

> **Only 67% of respondents rated their well-being favorably. This highlights how critical it is to avoid burnout as we continue to live with uncertainty.**
>
> **Yesenia Cancel,** XM Scientist, Qualtrics

How do we define well-being?

We measure well-being using a 5-point system of indicators:

1/ Feeling calm at work

2/ Feeling energized at work

3/ Rarely feeling overwhelmed by responsibilities at work

4/ Feeling positive about yourself at work

5/ Having trusting relationships at work

Well-being by job role

As with resilience and intent to stay, we can see that well-being increases along with seniority. Those at the top rate their well-being 26 points higher than the most junior employees.

They also feel a greater sense of belonging than more junior colleagues.

Just 60% of individual and contributor-level employees reported their well-being favorably, compared to 87% of executives at VP level and above.

Well-being by job role

The percentage of people who report favorable well-being

Role	%
Individual contributor	60%
Manager/leader of individual contributors	72%
Leader of leaders	82%
Executive	87%
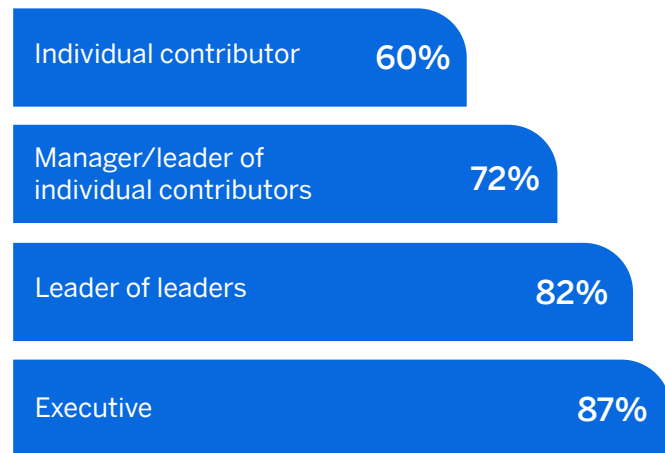
In our 2020 Resilience Report, we saw a similar trend in perception of support for work-life balance, with 20 points between the senior leadership and trainee/intern level employees.

"

Employee well-being remains critical as organizations continue to recover from this time of disruption. Whether it's providing flexibility to employees as they juggle work and personal responsibilities, supporting employees as they attend to any family health concerns, or just taking the time to listen to employees' concerns, it's a necessity at this time for organizations to care and support employees' well-being.

When organizations care for their employees, the employees will in turn show care and dedication to their work and the organization.

Lauren Rice, XM Scientist, Qualtrics

"

Well-being and belonging

Once again, a sense of belonging has a positive effect on an important aspect of employee experience – well-being.

People who feel like they belong are three times as likely to have a greater sense of well-being:

78%

of people who feel like they belong at their organization rate their well-being favorably

28%

of people who feel like they don't belong rate their well-being favorably

> **If we care about our employees and employee well-being at all, fostering an inclusive work environment is not only important but non-negotiable. In order for employees to feel like they belong, employers must demonstrate they care with actions.**
>
> **Treating employees with respect, actively listening and recognizing their contributions are ways to show employees they matter. We cannot expect employees to be well, let alone thrive, in a toxic workplace.**

Thivia Mogan, XM Scientist, Qualtrics

What impacts employee well-being?

Our study found the 5 key factors that impact our well-being at work are:

1/ I feel as if I belong at this company

2/ I can be myself at work

3/ I feel like a valued member of my team

4/ I feel I belong on my team

5/ I'm treated with respect

Do employees with families fare better?

Our data suggests that single people are less likely to report a sense of well-being at work compared to their colleagues who live with family. It's been a tough year for those with children, but our research suggests their sense of belonging may not be as impacted as those who live alone.
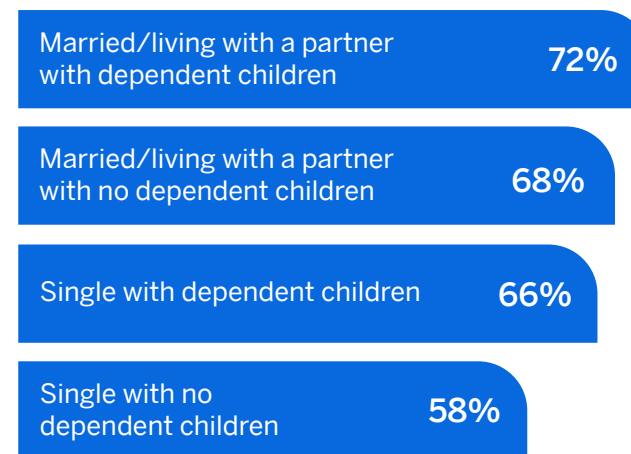
Employees who live alone may have got some of their sense of belonging and community from their colleagues and friends. With that stripped away they may be more vulnerable than those with families to losing their sense of belonging. This could also be why junior employees feel their well-being isn't as robust, as they may be less likely to have families.

One takeaway for HR and People Teams could be how quickly they can a return to a physical office in order to recreate a sense of community.

However, there is no one-size fits all solution. All organizations are different, and all the people within them have different needs. What's important is to listen to what your individual people need. And then act on that feedback.

Well-being by family situation

The percentage of people who report favorable well-being

Married/living with a partner with dependent children	72%
Married/living with a partner with no dependent children	68%
Single with dependent children	66%
Single with no dependent children	58%

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2/ Taking action on feedback

Taking action on feedback

Organizations are starting to recognize the value of asking employees for feedback. But are they taking the next step and turning that feedback into action?

92%
believe it's important their company listens to feedback

but only

7%
say their company acts on feedback really well.

Employers are listening more

In last year's report, 63% of employees felt they had an opportunity to provide feedback. This year it's 69%. However, when we asked the same question in Q2 2020, only 51% said they had the opportunity to provide feedback. This shows a dip in listening during the first wave of the pandemic.

My company listens to me

The percentage of people who feel their company listens to them.

| 2019	Mid-2020	2020
63%	51%	69%
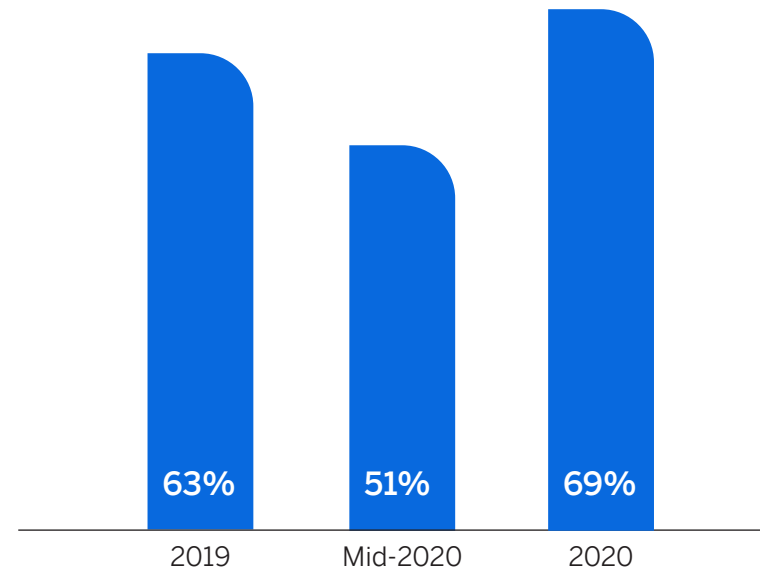
How often are employers asking for feedback

How often companies ask for feedback changed in response to the pandemic. Although we saw a rise in frequency during the height of the crisis in our mid-2020 Resilience Report, figures have reverted to levels similar to what we saw in our 2020 Employee Experience Trends Report (Data collected, Q4 2019). Only 10% now say they're invited to provide feedback once a week or more.

Asking for feedback regularly

The percentage of people who say they are asked to provide feedback regularly

November 2020	**45%**
May 2020	**62%**
November 2019	**46%**
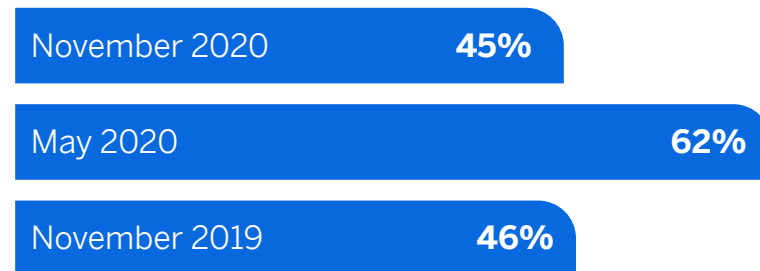
But while listening is a good place to start, what matters more is taking action on the feedback you receive.

This is where businesses have a lot of room to improve. Since 2019, companies have become worse at acting on feedback, according to their people.

The response to the COVID pandemic brought a steep change in employee listening. Many organizations quickly pivoted to send out frequent pulse surveys in order to support employees with well-being and work-safety issues.

This has raised the awareness and appetite for agile employee listening with both leaders and their people.

**Jake Outram,** XM Scientist, Qualtrics

The feedback-action gap

Employees feel that acting on feedback matters more than ever. But companies aren't closing the gap between feedback and action.

Only 7% felt that their employer acted on feedback "extremely well".

Employees aren't getting the chance to give feedback as much as they would like. And when they do, organizations aren't acting on it as well as they should.
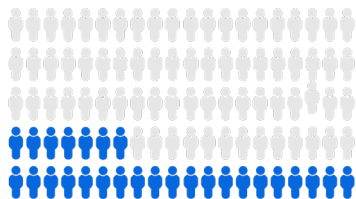
69%

have an opportunity
to give feedback
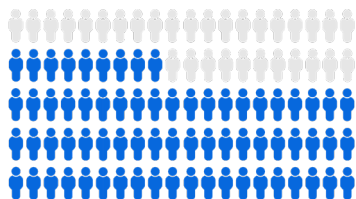
27%

think their company
actions feedback very
well or extremely well

" While data shows the perception that companies are either not taking action or not acting well on feedback has increased, it may be there is a disconnect between action and the perception of action. A good way to mitigate this is by communicating actions that have come as a result from the feedback provided to close the feedback loop.

Yesenia Cancel, XM Scientist, Qualtrics

"

Why acting on feedback matters

Turning feedback into action has a direct, positive effect on the employee experience. As the number of employees who feel their company takes action on feedback increases, so does their intent to stay and their engagement.

How taking action on feedback impacts intent to stay

high on taking action   low on taking action
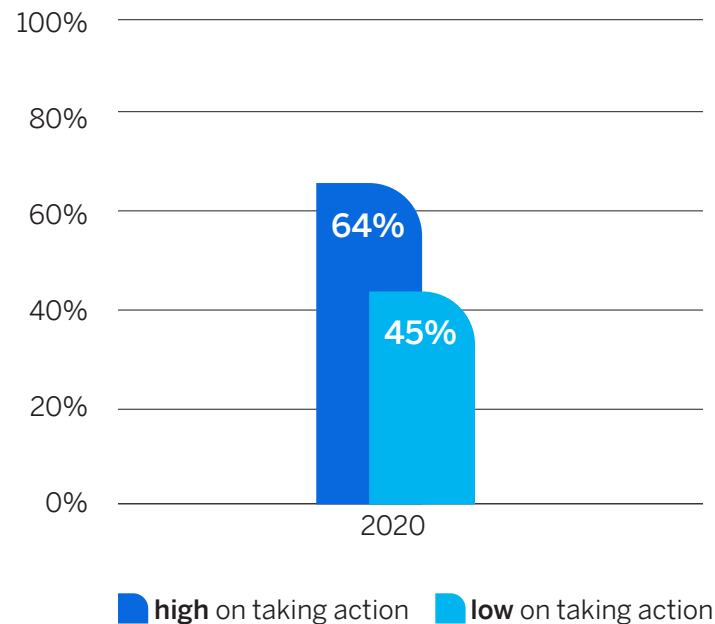
70%

Average engagement with listening program

42%

Average engagement without listening program

In fact, when employees feel a company acts on feedback well, their engagement is more than double that of workers who feel it's not acted on or acted on only slightly.

These trends have held true across our 2019 and 2020 data.

In fact, our data shows that listening without taking action actually results in worse engagement than if you don't have a listening program at all.

Action and well-being

Employees rate their well-being more favorably when they feel their employer is good at taking action on their feedback

How taking action on feedback impacts well-being

- **high** on taking action
- **low** on taking action
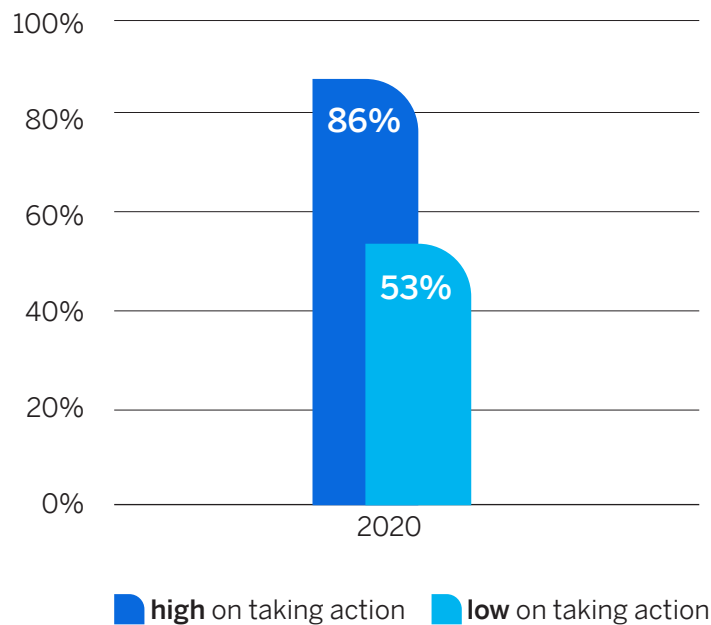
> **One finding that has remained constant across all three of our studies is the moderating effect that taking action on feedback has on engagement. Companies need to ensure that they are showing their employees that their voice matters by taking action. If you're not taking action and closing the feedback loop, employees won't see improvement on engagement drivers. As the data is showing, this can lead to less engaged employees, and employees who could eventually stop providing feedback.**

Anne Raeven, XM Scientist, Qualtrics

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3/ Manager effectiveness

Manager effectiveness

It's no surprise that managers have a pivotal role to play in making the employee experience what it is – for better or worse.

Managers and belonging

Looking at the data for belonging, we can see that managers directly influence this feeling in their teams. Feeling supported in being able to adapt to organizational changes is one of the top 5 influences on having a sense of belonging.

Feeling valued as part of a team and having open communication matter a lot too – both qualities that managers can embody in their behavior and reward in their teams.

> **Managers continue to play a pivotal role in organizations – this was especially the case during the pandemic where the role of managers became even more critical to supporting and helping their team members adapt quickly and overcome challenges.**
>
> **As the champion for their employees, managers help people understand the connection from their work to the company's strategy, build connections to others in the organization, and recent data also suggests impacts directly on employee belonging.**

Lindsay Johnson, XM Scientist, Qualtrics

Managers and taking action

We've seen that when employees feel their company is good at turning feedback into action, their engagement, wellbeing and intent to stay all rise. Managers hold the key to communicating about action and change, and making the link between individual feedback and company-wide action.

Promoting great experiences at every level

Our data shows a consistent trend – those at leadership level enjoy better engagement, resilience, well-being and intent to stay relative to their junior colleagues.

Could manager behaviors like open communication and support in weathering change help to level the playing field?

Managers have a critical role in helping translate the 'why' behind changes happening in the organization and constantly pointing back to those changes being a response to employee feedback.

A single conversation a month later doesn't convince employees that the organization takes their feedback seriously. When your people take the time to give you feedback it's usually the case that they want to help make change happen.

Marcus Wolf, XM Scientist, Qualtrics

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Methodology

Methodology

The study was conducted in October and November 2020, included 11,864 respondents 18 years of age or older who were currently employed full-time.

Demographics

This study examined employees across 20 countries and regions. The breakdown of respondents can be seen in the table below.
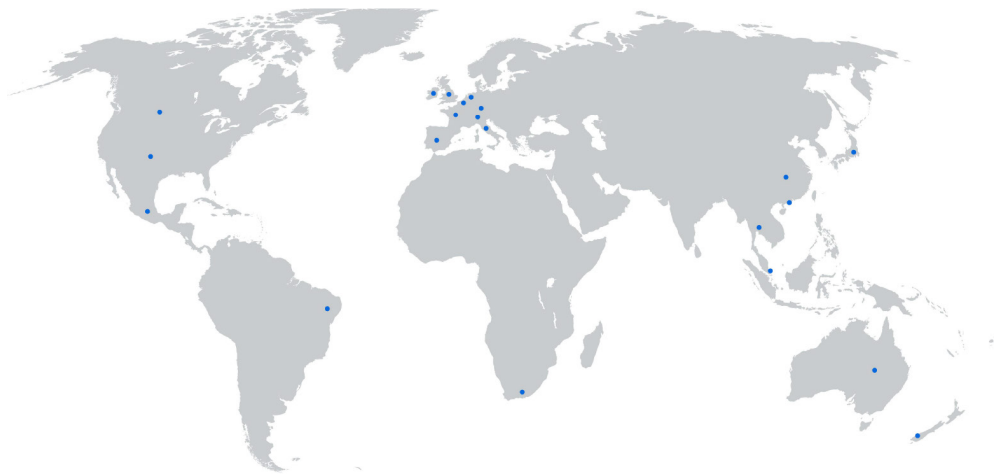
Country	Percent
Australia	6.52%
Belgium	2.28%
Brazil	6.74%
Canada	6.74%
China	6.74%
France	6.74%
Germany	6.75%
Hong Kong (S.A.R.)	1.80%
Ireland	0.26%
Japan	6.74%
Mexico	3.37%
Netherlands	2.82%
New Zealand	2.08%
Singapore	2.83%
South Africa	2.49%
Spain	6.74%
Switzerland	2.84%
Thailand	2.92%
UK&NI	6.48%
USA	16.07%

Study respondents come from a wide variety of industries:

Automotive	2.70%
Construction or Commercial Development	1.90%
Educational Services	8.73%
Finance or Insurance	10.17%
Forestry, Fishing, Hunting, or Agriculture Support	0.37%
Healthcare or Social Assistance	9.74%
Hospitality/Accommodation or Food Services	2.70%
Information Services or Technology	7.66%
Life Sciences or Pharma	1.42%
Management of Companies or Enterprises	0.94%
Manufacturing	10.14%
Mining	0.37%
Other Government/Public Sector	15.45%
Professional Services (e.g., legal, advertising)	2.13%
Real Estate or Rental and Leasing	0.73%
Retail or Consumer Packaged Goods	9.91%
Telecommunications	4.27%
Transportation or Warehousing	4.85%
Utilities or Energy	2.54%
Wholesale Trade	2.69%

The study examined influencing factors including age, tenure, and job roles amongst others. These are broken down in the tables below:

Age:

Under 20	0.49%
20-24	5.50%
25-29	10.70%
30-39	29.21%
40-49	25.19%
50-59	19.70%
60 and over	9.17%
I prefer not to answer	0.05%

Tenure:

Less than 1 year	4.99%
At least 1 year, but less than 2 years	7.45%
At least 2 years, but less than 3 years	8.90%
At least 3 years, but less than 5 years	16.20%
At least 5 years, but less than 10 years	22.22%
10 years or more	40.23%

Gender:

Female	50.09%
Male	49.54%
Non binary / transgender / third gender	0.18%
I prefer not to answer	0.08%
I prefer to self describe	0.12%

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WANT TO SEE HOW IT ALL WORKS?

Contact us for more information
on how to get started.

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