

workhuman*

4 Key Trends Driving the Future of Work





The workplace is in the midst of unprecedented disruption. What is the best way for HR leaders to chart a course forward? Which areas should receive the most focus? This guide will look at the four key trends driving the future of work as well as explore in detail the strategies needed to create a human-centered, high-performing work culture.

You will learn:

- The consequences of the **Great Resignation** and how companies can navigate the future of work with an improved outlook to turn the outcomes into the **Great Talent Swap**
- Tips for creating a **hybrid, agile, and interdependent workplace**
- How to evolve **performance management** processes to build loyalty and create a positive workplace culture
- The ways **diversity, equity, and inclusion** will grow as differentiators for recruiting and retention

The current state of work

Hybrid working environments are more commonplace than ever before. Whether in the office, working from home, or logging in from another remote location, many of us now predominantly work with others via a screen and have much more flexibility and choice in how and where we work. How does this impact our work and relationships?

There is a fundamental fabric of connection that happens organically when you work in the same physical space with others. Now with fewer in-person “water cooler” micro-moments, we have to start being intentional about them and work at making them happen. Why?

Because human connection matters, now more than ever.



Trend #1:

Employees continue to feel the strain.

In today's working environment, employees are raising fundamental questions about the meaning of work. There's been a palpable shift in power, and after more than two years of uncertainty, workers are now more certain than ever of what they will and won't tolerate at work. Stress, burnout, and isolation have put new expectations on the table, and if companies can't or won't put the human at the center of work, employees are more than happy to look for opportunities elsewhere.

This is the Great Resignation.

Workhuman® iQ recently polled more than 3,500 workers in the U.S., Canada, the U.K., and Ireland on their connection to their jobs and their companies and what's on the horizon for their careers. Almost 4 in 10 people told us they're planning to look for a new job in the next 12 months.



We are seeing an **increase in job seekers**: More than one-third of workers (36%) said they plan to look for a new job in the next 12 months, up from 21% in our December 2019 survey.

Of those workers planning to look for a new job, nearly one-third (30%) cited “I want more flexibility” as their primary reason for looking. Parents are slightly more likely (+3 percentage points) to be looking for a new job this year, with parents in the U.S. and Ireland feeling less supported by their organizations than those in the U.K. and Canada.

Other reasons in order of importance include:

- My salary is too low.
- I want a better job title.
- I want a better work culture.
- I no longer want to work for my manager.



It's no surprise so many workers are reevaluating their jobs considering the stress and isolation of the past few years. According to this survey, 64% of people have experienced burnout in their careers, and 41% of workers said that burnout happened in just the past few months.

This projected voluntary employee turnover has the potential to cost businesses billions.

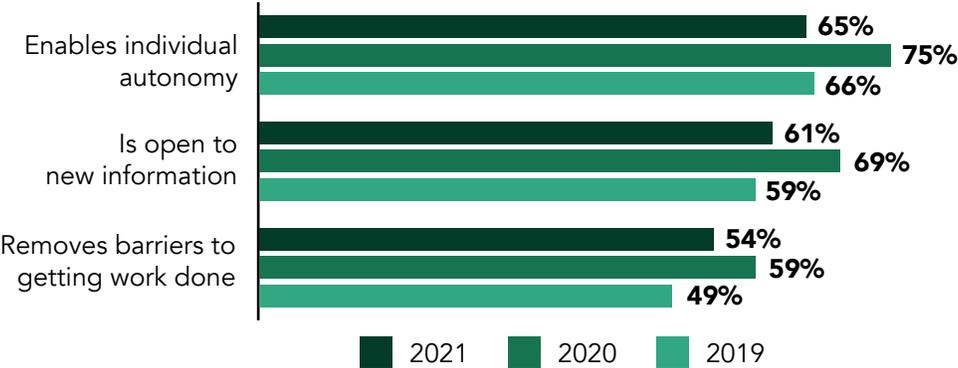


Considering the cost to replace an employee can be up to 2x their salary, that means a 100-person organization with an average salary of \$50,000 could see **the Great Resignation cost more than \$4,000,000 this year.**

Combine the disruptions caused by employee turnover with all the other disruptions from the past few years, and it is no surprise that there are strains at all levels of an organization.

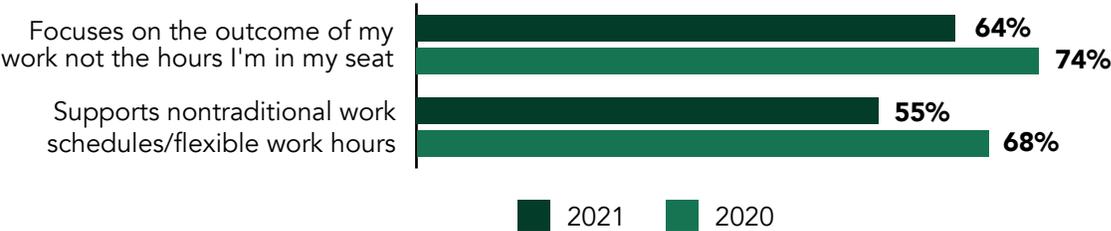
RedThread data, for example, shows that critical manager behaviors are slipping back to pre-pandemic levels.

Manager behaviors 2019 – 2021



The same research also shows managers' openness to some hybrid-friendly ways of working has declined since autumn 2020.

Openness to hybrid-friendly management approaches 2020 – 2021



Managers are unsurprisingly feeling burnout too. And when they feel the strain, the pressure is felt by the whole team. This can be countered with positivity. Leaders need to reevaluate which programs and practices are needed to create a more human workplace where people will want to stay, helping companies turn the Great Resignation into the Great Talent Swap. People want change, but they don't have to leave your company to find it.

Recognition and human connection are key.

Workhuman's evidence-based data from more than six million users illustrates the positive effect human connection and recognition have during times of change and uncertainty.

For example, employees who were thanked for work in the past 30 days have less stress and are nearly

2x as likely to **trust** in their company's leadership team.

Additionally, employees who check in with their manager at least weekly are

5x less likely to be **disengaged**.

LinkedIn: Linking Social Recognition to retention and connection

LinkedIn came to Workhuman® looking to unite its people around culture during a period of corporate growth.

Its Bravo! program, built by Workhuman, is a global, peer-to-peer Social Recognition® and rewards program. Unlike its former spot bonus program, Bravo! has clear ties to LinkedIn's corporate values and is efficient, consistent, and timely.

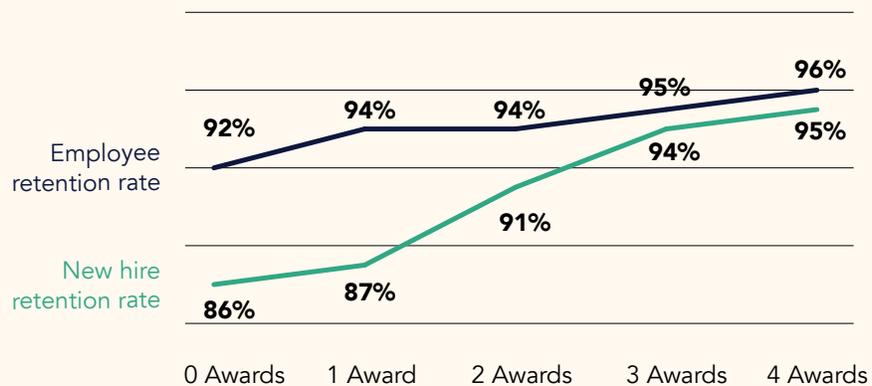
Eighteen months after launch, LinkedIn embarked on an in-depth analysis of Bravo! Shawn Achor, Harvard-trained researcher and bestselling author, and Workhuman iQ examined the correlation between Social Recognition experience and the retention of key employees.



The LinkedIn data showed not only the ripple effect that occurs in terms of performance, but also the creation of praise recipients into praise providers. Every time an employee is recognized, they're likely to recognize two other people in the organization. What's more, as the number of awards increases, so do retention rates.

For new hires in particular, retention rates are nearly ten percentage points greater for employees who receive four or more awards, as opposed to employees who don't receive any awards.

Impact of recognition on retention at LinkedIn





Trend #2:

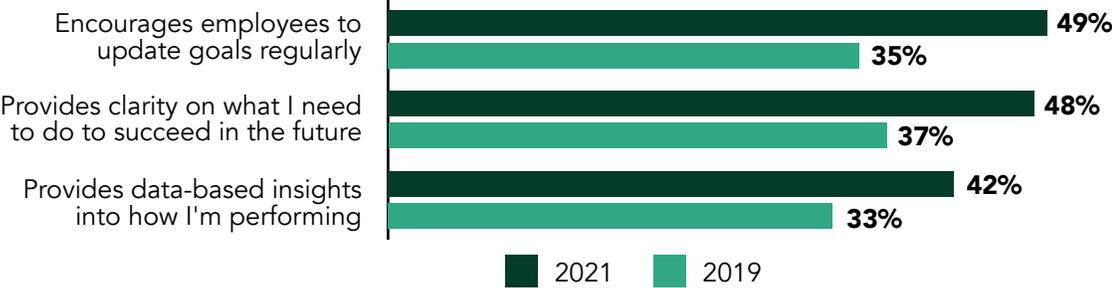
The future of work and performance management is hybrid, agile, and interdependent.

The nature of businesses changed during the pandemic, and in today's hybrid environment, employees want flexibility. When it comes to **performance management**, this hybrid, flexible environment forces different types of conversations about performance and the need for better data.

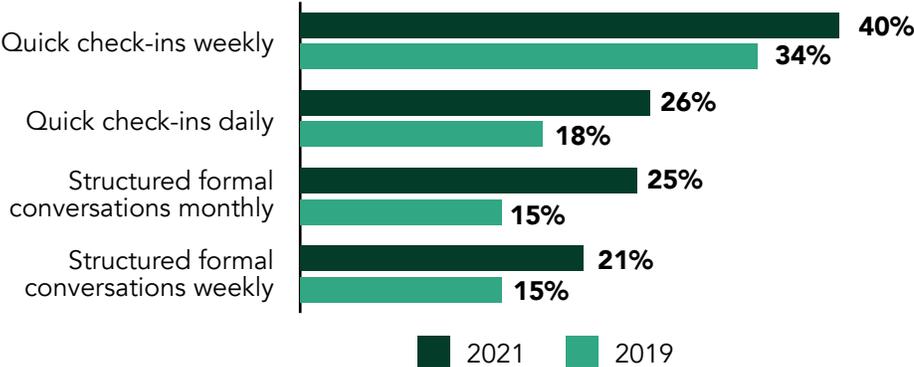
Managers have to let go of some traditional, formal performance management practices to make way for more informal, frequent check-ins and the use of new, hybrid-friendly technology. Performance management must adapt, and RedThread research shows this evolution is already underway.

RedThread found that employees have much greater clarity on their performance than before the pandemic, and a big part of that is because managers and employees are talking more often and connections are growing.

Manager openness to hybrid-friendly approaches 2019 & 2021



Check-in frequency 2019 & 2021





Performance happens every day, so conversations about performance need to evolve from once-a-year formal reviews to regular, informal conversations and check-ins with employees and teams where connections can be built. Employers need to train managers to act as continuous coaches, and performance management must be grounded in human connections, whether in person or virtual.

In the future of work, technologies that capture and analyze the magic of collaboration, feedback, flexibility, and process innovations will be widely adopted. Culture leaders need to move from gut feelings to predictable outcomes, and away from performance management and move toward performance development.

In a recent study, Workhuman asked employees to rate their manager on a scale of 1-10 based on how well their manager keeps them motivated and engaged. We found that when managers check in at least weekly, their rating is nearly 2x higher than managers who never check in. Furthermore, managers with the highest ratings are those who are not only checking in often, but also giving their people feedback.

Frequent check-ins and regular feedback are correlated with higher manager ratings.



The shift in where work gets done makes clear, consistent communication even more critical. Word-of-mouth or a quick hallway conversation for important information about company initiatives isn't enough anymore. People leaders and their direct reports need consistent check-ins to stay on track and keep priorities clear.

What is important to keep in mind is that employees want this, so it's key to build this into the fabric of a brand's culture. This is the new, more agile, modern way to think about performance.

IBM: Driving cultural transformation

IBM is constantly driving innovation and action to make the world a better, more connected place. The only way to do that is by making sure the company's greatest assets, its humans (IBMers), can grow, develop, and reach their full potential.

Since partnering with Workhuman, IBM has been able to bring its performance development solution, Checkpoint, to the next level of feedback and development. By having one platform for check-ins, feedback requests, and goal setting, IBMers have been able to move past the traditional questions like "Did you accomplish your yearly objectives?" to questions like "How are we performing? What are the skills needed? How does this impact my career?"



This proactiveness allows employees to take their development into their own hands, solidifying human connection and growth into the fabric of the organization's culture. Since launch, feedback requests and responses are 5x what they were before.



Feedback is as important as growth, innovation, and inclusivity because you can't have those first three elements without feedback. Transparency has to be core to who you are as a company.



NICKLE LAMOREAUX
CHRO of IBM at
Workhuman Live Online



Trend #3:

An intentional focus on culture

No company is immune to cultural decay, so it is vital that organizations start working on this today. Even small changes can have a big effect.

Showing gratitude, celebrating life events, and community celebrations are three such changes.

The gratitude effect

Dr. Robert Emmons, professor of psychology at UC Davis and Workhuman® Live speaker, says “Gratitude is the ultimate performance-enhancing substance.”

He has done extensive research on the benefits of gratitude. These benefits are emotional, physical, and social in nature and include more positive emotions, stronger immune systems, and feeling more helpful, generous, and compassionate.

Why does gratitude have such a profound impact on individuals both inside and outside work?

- First, gratitude impacts our brain’s chemistry in a positive way and contributes to feelings of closeness, connection, and happiness.
- Second, gratitude banishes negativity by expanding our capacity for joy.
- Third, gratitude is contagious and launches a social loop of goodwill – giving and receiving at a frequency that becomes part of our DNA.
- Fourth, gratitude builds on itself. Rick Hanson, a leading researcher on the science of gratitude, found that focusing on a positive experience for 20 seconds is long enough to create positive changes in the brain.

Workhuman found that workers thanked in the last month report feeling less stressed and are nearly 2x as likely to trust in their company's leadership team.

Not only does recent recognition correlate with lower risk of employee turnover, but vocalizing appreciation to others and being a recipient of gratitude and appreciation contributes to the overall health of your organization. What's more, the act of saying "thank you" to a colleague also shows positive impacts.

Receivers of gratitude are:

- Nearly **2x** as likely to be **highly engaged**
- Nearly **3x** as likely to agree their **work has meaning and purpose**
- More than **4x** as likely to be **happy at work**
- More than **4x** as likely to agree their company's **leadership team is appreciative** of the work they are doing

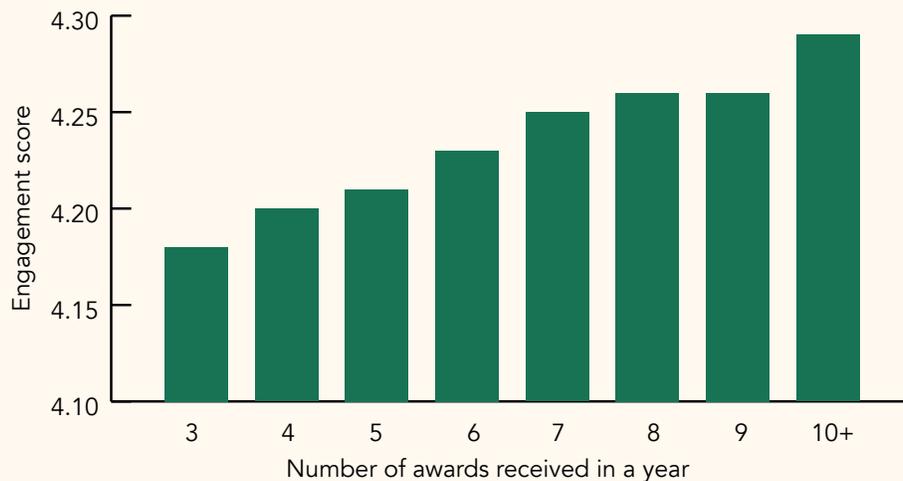
Givers of gratitude are:

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Cisco: Connecting people and transforming culture

Cisco's global, peer-to-peer recognition and reward program, Connected Recognition, is based on core values and funded at 1% of payroll. This level of investment enabled Cisco to drive engagement with more frequent, smaller awards given throughout the year.

As employees received more recognition, their engagement scores also increased.



In the first year alone, 85% of Cisco's 70,000 employees gave or received Connected Recognition awards. Nearly half (48%) of awards given were from individual contributors, demonstrating a profound shift from manager-only nominations to more peer-to-peer nominations. Participation and momentum remain strong after five years of the program, with more than 1.2 million awards given. Several employees have blogged about how Connected Recognition has impacted their lives, from using rewards to take a vacation in Thailand, to giving back to charities. In 2018 alone, \$30,000 were redeemed in global charities through Connected Recognition.

Connected Recognition also has a proven impact on employee engagement. The team recently analyzed data from nearly 60,000 employees who received Connected Recognition awards. They found a strong positive correlation between engagement and more frequent, smaller awards received throughout the year.

Life Events and Community Celebrations

Celebrations are a natural way to bring more humanity into the workplace, building a community where people feel welcomed and celebrated for what they bring to the table.

Most organizations already have at least a milestone anniversary program in place. But is that enough? How are you building deeper connections between employees and across teams? What are some other moments to celebrate?

Our research confirms that acknowledging and commemorating milestones is an inherent part of the human experience. When was the last time you ignored your wedding anniversary or your child's birthday? It's natural to use these annual milestones as a point of self-reflection and pride.



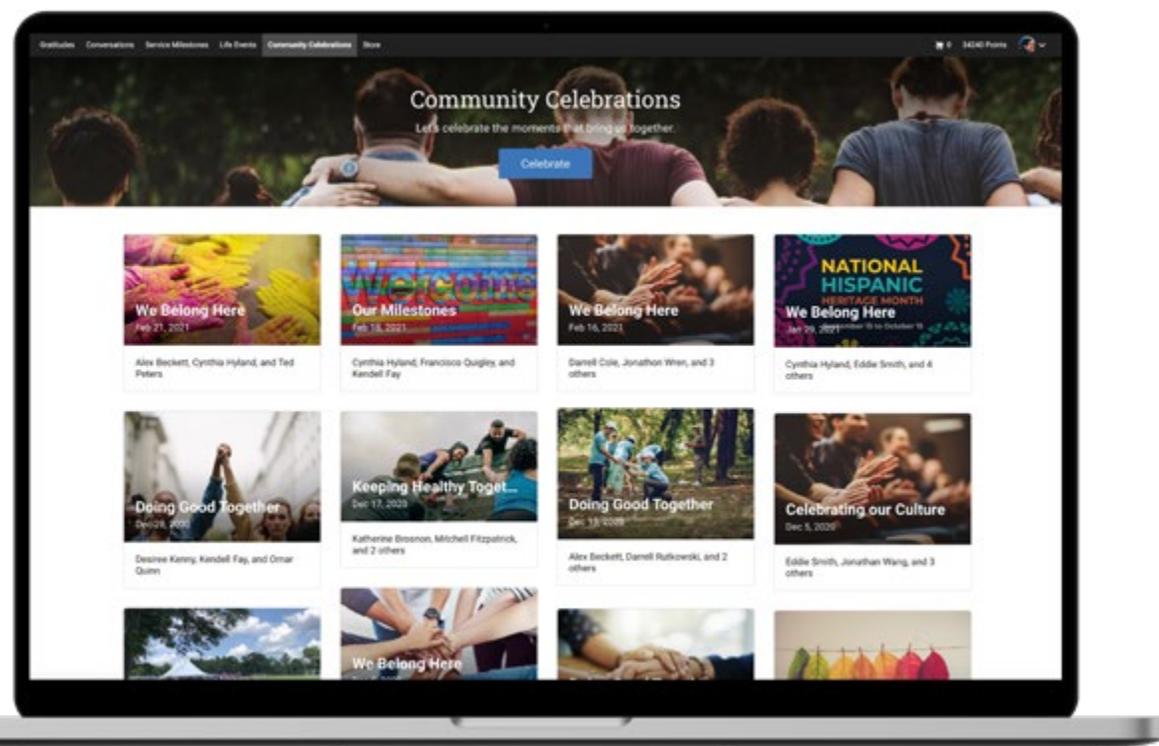
And yet, more than half of all workers surveyed (51%) say their last work anniversary was not even acknowledged.

Celebrating work anniversaries and life events aren't just good for your humans – they also make a difference to your business.



For example, when celebrating just one life event with their work community, our research found people are **19% more likely to feel like they belong** and 2x as likely to believe their company has a human work culture.

With **Community Celebrations**[®], bring people together from across the organization to celebrate shared interests, events, and milestones – from volunteer projects and CSR initiatives to employee resource groups, cultural events, and more.





Trend #4:

Diversity, equity, and inclusion will grow as differentiators for recruiting and retention.

Along with workplace culture and recognition, diversity, equity, and inclusion (DE&I) have become key factors in influencing employees' decisions on whether an organization is the right fit for them. People want to see the needle move on workplace discrimination now more than ever.

RedThread research found that organizations with strong DE&I cultures are more likely to indicate better outcomes. Employers must therefore make measurable DE&I progress and communicate it to current and prospective employees.

Organizations with strong DE&I cultures:

Individual outcomes

Employees are:

- **2x** more likely to give a positive **Net Promoter Score** to their employer
- **60%** more likely to have **high engagement**
- **73%** more likely to rate their **manager as highly effective**
- **45%** more likely to have **high intent to stay**

Organizational outcomes

Employees are:

- **2x** more likely to indicate their organization **met business goals** in last three years
- **81%** more likely to indicate **high customer satisfaction**
- **72%** more likely to indicate their **organization is innovative**
- **43%** more likely to indicate their organization **met yearly business goals**

Recognition is again the key here, helping to build feelings of inclusion, belonging, and equality. Because Social Recognition is crowdsourced in real time, it guarantees all your employees are recognized for their work and can equally share their gratitude with everyone.

Workhuman research found that:



After one year in a recognition program, Asian, Black, and Hispanic employee **turnover drops 20%** and female employee turnover drops 17%.



Psychological safety is highest for employees recognized within the last month and lowest for those never recognized.

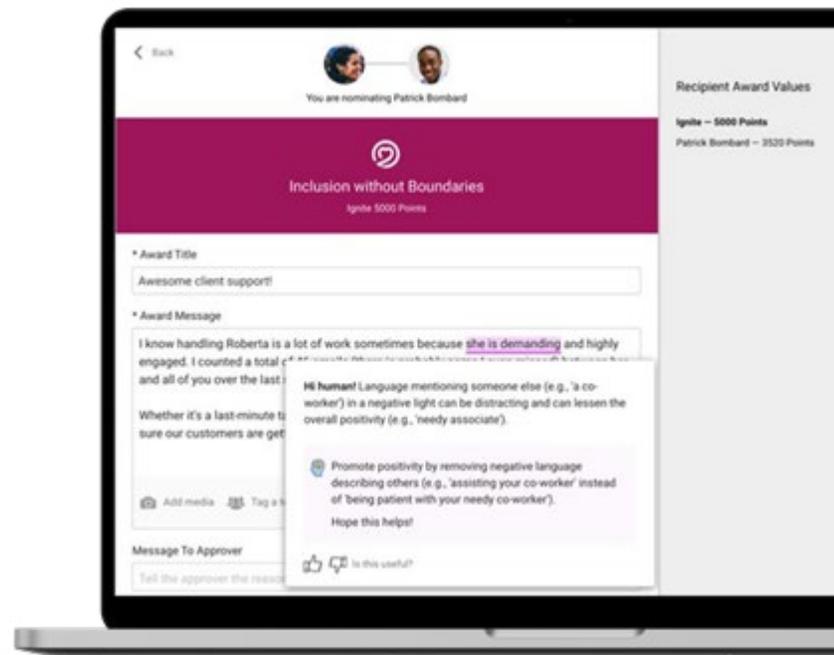
Results like these show there is value associated with recognition and that even small, everyday gestures of gratitude can be meaningful.

Inclusion Advisor: Micro-coaching moments for positive change

Workhuman's Inclusion Advisor uses AI and natural language processing to mitigate unconscious bias in real time when writing an award message. It reinforces existing training with real-time micro-coaching.

Using a schema and machine learning models created by Workhuman iQ scientists, Inclusion Advisor runs through an award message sentence by sentence, identifies possible instances of implicit biases, and provides micro-coaching on how to correct them. This feature is completely opt-in and helps employees improve the inclusivity of their language.

For example, recognizing someone for her "nice smile" can imply gender stereotyping and focuses on appearance or personality traits. The technology would nudge the user to describe a person's work in ways that don't suggest different expectations for people of different genders and prompts them to focus instead on work-related merits and professional skills.



Merck: Inclusion Advisor

At Merck, Inclusion Advisor's micro-coaching is driving real change within the organization. Integrated into INSPIRE, Merck's recognition platform, the technology is creating awareness and encouraging behavioral change.

As a result, 74% of Merck employees made a change to award messages when bias was detected. Employees are shifting their mindsets and have the opportunity to engage, pause, reflect, and apply their new learnings internally and externally.





Inclusion Advisor is that nudge, that positive interrupter that helps us shift thinking to really focus on ... What can I do today so that I improve myself for tomorrow? Each nudge, each inclusion reminder will help people get in that mode of reflecting with an opportunity towards improving and maybe make a difference.



CHRISTOPHER CARDARELLI
Executive Director, Global Diversity & Inclusion
Center of Excellence at Merck

Conclusion

Progress is only possible with a new mindset. And when upheaval and struggle arise, so too do opportunities for change. As the world forges ahead, an opportunity has arisen for leaders to become the champions of change – the kind that doesn't just catapult organizations toward long-term, sustained growth, but the kind that helps redefine the relationship between humans and their work.

There is no return to “normal,” and leaders must start intentionally designing a workplace where culture, human connection, and inclusion thrive if they are to attract and retain talent today.



**We can design systems that make people shine or
we can design systems that make people quit.**



MALCOLM GLADWELL

New York Times Bestselling Author and Top Global
Thinker at Workhuman Live Atlanta 2022



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work more human for every person on the planet, visit
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