qualtrics**XM**

2020 global employee experience trends

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Qualtrics
EmployeeXM™

2020
2020

Table of Contents

About this study

At Qualtrics, we believe every voice has value, every interaction is an opportunity, and every experience matters. That's why, every year, we ask tens of thousands of professionals around the world about their experiences at work.

Our goal is to understand what, exactly, impacts people's working lives. And, we want to empower employers with the right insights to make meaningful changes based on what their people want most.

As we enter a new decade, the world of work is changing faster than ever. Our study showed that, especially through change, people want to feel heard. This means, that organizations should seek to ask for feedback, listen, and most importantly act. In the next pages we share our findings in more detail, as well as our 3 key takeaways for 2020.

+ 13,551 responses

+ 12 geographies

+ 84% full time employees

+ 16% part time

State of global engagement
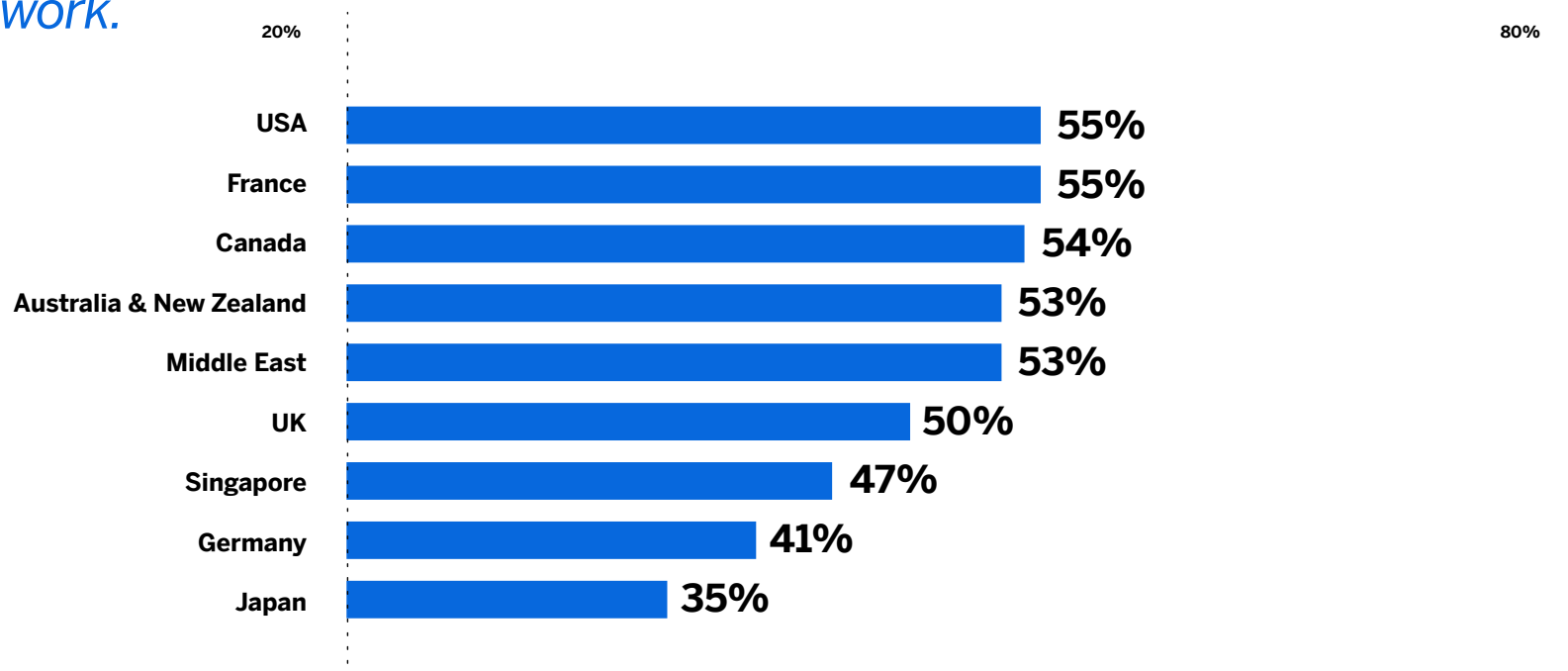
State of global engagement

53% of employees around the world are engaged in their work.

EMPLOYERS HAVE WORK TO DO IN EVERY COUNTRY

Around the world, employee engagement is trending low. The differences from one country or region to the next are slight, making it clear that around the world employers have work to do to improve the experience for their people in 2020.

What countries or regions have the most engaged workers?

Countries or regions with the highest engagement. (Excludes countries with less than 500 survey responses.)

	20%		80%
USA		55%	
France		55%	
Canada		54%	
Australia & New Zealand		53%	
Middle East		53%	
UK		50%	
Singapore		47%	
Germany		41%	
Japan		35%	

Confidence in senior leadership is top engagement driver

Employee engagement reflects employees' willingness to go beyond the status quo, emotional connection to the organization, intent to stay with the organization, and dedication to the work itself. In this study, we measured several key drivers of employee engagement, such as opportunities for growth & development, manager effectiveness, support & resources, etc., to better understand what aspects of the employee experience have the greatest impact on engagement. Our results show that people's confidence in senior leadership to make the right decisions for the company as well as their experiences with growth and development, strategic alignment, and manager effectiveness are the top drivers of engagement among employees around the world.

What drives employee engagement?

Top drivers of engagement (in order of importance with % favorability associated)

01 Confidence in senior leadership to make the right decisions for the company (53%

02 Opportunities for learning and development (60%)

03 A clear link between your work and the company's strategic objectives (57%)

04 Recognition for good work (55%)

05 Managers who help employees with career development (50%)

Qualtrics EmployeeXM™

How we measure employee engagement

At Qualtrics we measure employee engagement as a composite score of items measuring intent to stay, work involvement, discretionary effort, pride of company, and willingness to recommend a company.
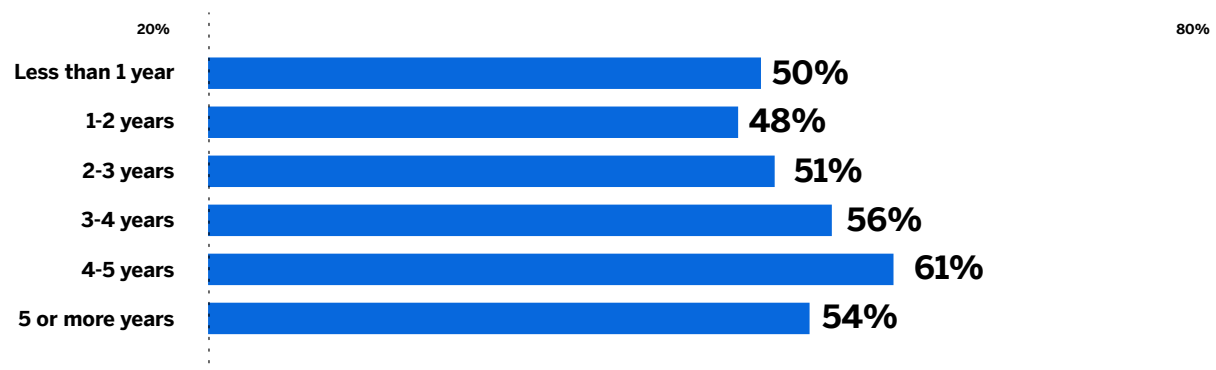
Tenure has no significant impact on engagement

While tenure doesn't significantly impact engagement, we found that the drivers of engagement differ slightly by tenure group.

The most important engagement driver for employees with less than two years of tenure is 'opportunities for learning and development' whereas 'confidence in senior leadership to make the right decisions for the company' rose to the top for more tenured employees (4+ years).

How does tenure affect engagement?

Average employee engagement based on current tenure at their organization.

Tenure	Engagement
Less than 1 year	50%
1-2 years	48%
2-3 years	51%
3-4 years	56%
4-5 years	61%
5 or more years	54%

20% ... 80%

Key trends
for 2020

Key trends for 2020

Overall, global employee engagement is low. Here are the three main things employees say can help improve it:

01

Ask for feedback often, listen, and take action

People place a lot of value on being asked for feedback. But what do they value even more? When that feedback is turned into tangible actions.

See more: page 10

02

In times of change, listen more

When things are changing, people want to be heard more. They want to share feedback more frequently in response to the changing environment around them.

See more: page 15

03

Invest in manager and career development

People want managers who help them develop their careers. Investing in manager development and career growth can increase your chances of keeping people longer.

See more: page 20

01 Ask for feedback often, listen, and take action

" We take action on feedback in a systematic way. We drive change with it, we iterate the product, and we report key metrics with executives.

VLADIMIR COHO
VP of people experience

AUTOMATION®
**ANYWHERE**

ASK, LISTEN, ACT

While global engagement is relatively low at 53%, our results show that having a feedback program dramatically improves engagement.

Employees want to provide feedback, but they care about organizations and managers taking action even more.
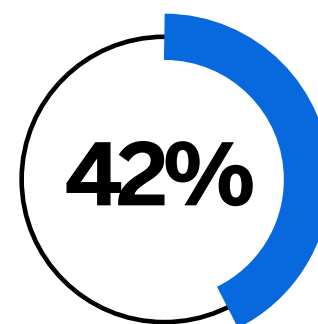
Asking for feedback boosts engagement

Those who said their company provides a feedback program are more engaged.

Feedback matters
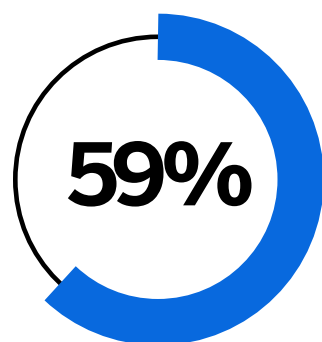
59% Engagement score of employees who said their company provides a feedback program.

42% Engagement score of employees who said their company does not provide a feedback program.

Don't just ask, listen

For those that have an opportunity to provide feedback, 2/3 indicate it is "very important" that their employers listen to that feedback.

2 IN 3 employees believe that it is "very important that their employers listen to their feedback.

Don't just listen, act

63% of respondents reported having an opportunity to give feedback, however only 35% of them indicated that their company turns their feedback into action "very or extremely well".
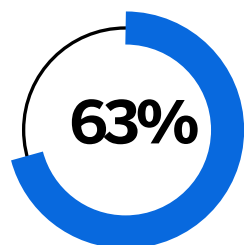
63% of respondents reported having an opportunity to give feedback.
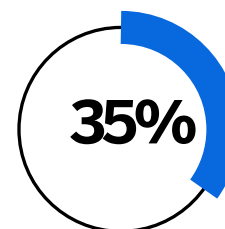
35% indicated that their company turns their feedback into action "very or extremely well".

TURNING FEEDBACK INTO ACTION LEADS TO HIGHER ENGAGEMENT

Engagement score for those who feel their company turns their feedback into action really well, regardless of the frequency, was 80% compared to 40% for those who feel their companies do not turn feedback into action "well at all" or even "slightly well".

Our study shows that while asking for employee feedback and the frequency with which organizations ask have an impact on employee engagement scores, it is whether the employee feels the company turns feedback into action that really moves the needle when it comes to engagement.

Employee engagement scores and turning feedback into action

20%	100%
Companies that turn feedback into action really well	**80%**
Companies that do not turn feedback into action well	**40%**
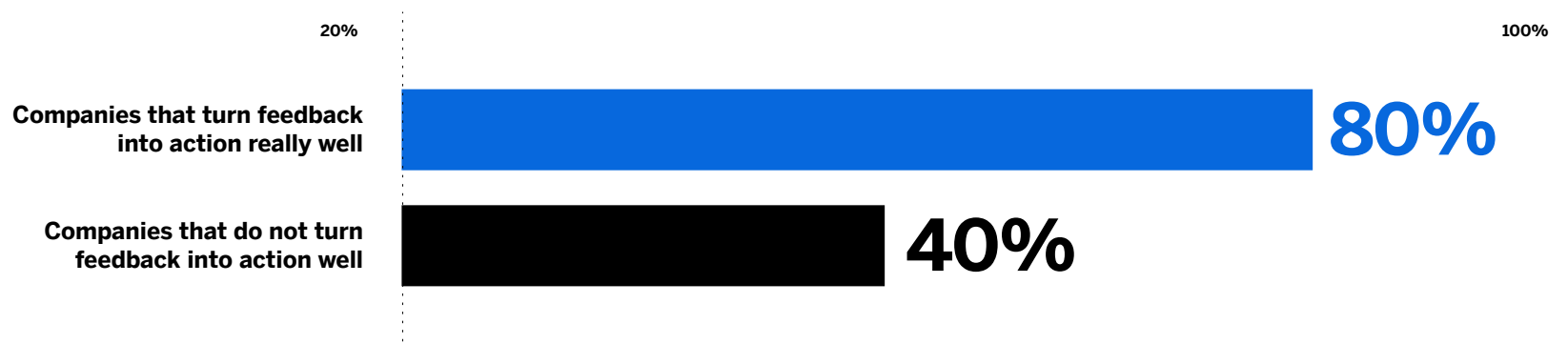
CASE STUDY

SEPHORA

HOW ACTING ON FEEDBACK DRIVES EMPLOYEE EXPERIENCE

Finding moments that matter

" We [as HR practitioners] tend to focus on the big moments — the pivotal things like promotions — we usually get those right, because we focus on them. Often times it's the ordinary moments that make the difference. My best example comes from when we audited our onboarding process.

Our new hire orientation got great feedback. But, when people arrived at their new workspace after orientation, it was kind of lackluster. We'd hear things like, 'I got back to my desk and everyone was at a meeting'. We were missing a chance to create a moment of celebration and make that ordinary situation significant. Now we make an effort to remind new employees – in that moment – of why they chose to come to Sephora in the first place."

—Karalyn Smith, Chief People Officer at Sephora

**Read more about
Karalyn's story**

READ NOW

02 Listen even more in times of change

> " Change is inevitable. Feedback is how we adapt. Listening to our people directs the actions we take that make a difference in everyday experiences.

JULIE LARSON-GREEN
Chief Experience Officer

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CHANGE IS THE ONLY CONSTANT

The world of work is changing faster than ever. With digital transformation, increasingly remote workforces, and the rise of alternative employment models, rapid change has a profound impact on the employee experience.

66% **of people feel change is 'always' happening within their organization**

**45%** **of survey respondents said their organizations were experiencing large-scale change**

Examples of large scale change can be an M&A, massive restructuring, or even business systems transformations. Through these changes, it's increasingly important to get feedback in real time.

IF YOUR ORGANIZATION IS CHANGING, YOUR FEEDBACK PROGRAM SHOULD TOO

It can be tempting to shy away from gathering feedback during times of change for fear of seeing 'lower scores'. However, our study shows this is the time to gather more feedback. And many companies are doing so.

Companies request feedback in periods of change

For those who indicated "yes" they are experiencing large-scale change, 79% said that they have an opportunity to provide feedback. Compared to those who said "no" they aren't experiencing a change, only 50% indicated having an opportunity to have a voice.
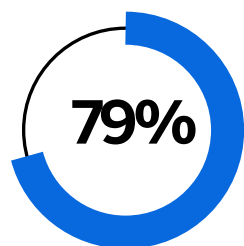
79%   **YES** respondents reported having an opportunity to give feedback.
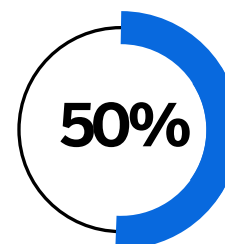
50%   **NO** respondents reported having an opportunity to give feedback.

Asking for more feedback = higher engagement

Asking these groups for feedback more often pays off for engagement too. For those who said they are experiencing change and are also given the opportunity to provide feedback at least quarterly, their engagement is higher than those who those who aren't given a voice more frequently.

How engaged are employees when experiencing change?

67% **Engagement when asked for feedback at least quarterly in times of change**

54% **Engagement when asked for feedback less frequently (i.e. once to twice a year) in times of change**

Times of change present more of an impetus to gather insight from employees to ensure they are prepared, understand the direction of the company and of the changes, and can actively participate.

CASE STUDY

Zillow

HOW TO RETAIN TOP TALENT IN TIMES OF CHANGE

The challenge When Zillow acquired its closest competitor in 2014, it needed to bring two workforces together, merging two distinct cultures while undergoing an organizational transformation.

The solution Using automatic driver analysis through Qualtrics EmployeeXM, the team found that career development was an important driver as the company changed. So, Zillow developed a new leadership playbook to help managers understand and respond to employees' needs on a daily basis.

Results

Improved operating efficiency for HR analytics teams

Increased employee engagement, retention, and satisfaction

X-data-informed leadership playbook

Read the full Zillow story

READ NOW

03 Invest in manager and career development

" Most leadership development only readies a small portion of your population, but we're focused on scalable leadership development for everyone.

SAMANTHA HAMMOCK
Chief Learning Officer

AMERICAN EXPRESS

MANAGER + CAREER DEVELOPMENT = THE KEYS TO RETENTION

Employee turnover is very costly for organizations and can directly impact business performance. But understanding and improving employees' experiences in the workplace can help reduce those costs. At Qualtrics, we use a time-bound question in the hopes of identifying the experience gaps and reducing flight risk between employees who have one foot out the door and those who are planning to stay for the long haul.

Our study found that 18% of employees around the world intend to stay at their company for less than a year while 16% intend to stay for less than 2 years.

18% of employees around the globe say they intend to stay with their company "1 year or less"

Managers also have a key role in driving engagement. Unsurprisingly, managers who invest in your career development and resolve workplace issues significantly contribute to employee engagement. That's why investing in great leaders and managers is key.

What are the key drivers of intent to stay around the world?

Top drivers of intent to stay (in order of importance with % favorability associated).

01 My company provides me with the opportunity for learning and development. **(60%)**

02 I have confidence in the senior leadership team to make the right decisions for
this company. **(53%)**

03 My manager helps me in my career development. **(50%)**

04 I can see a clear link between my work and this company's strategic objectives. **(57%)**

05 My manager is effective in helping me resolve work-related issues. **(59%)**

People need clear direction. They need to understand their role and its connection to the company's goal. Investing in providing that direction whether through their own career trajectory or through initiatives to get them closer to the company's objectives will have a clear impact on retention.

Which industries have the highest attrition risk?

Attrition risk by industry (with % of employees intending to stay less than a year).

Industry	0% ————————————————————— 30%	
Retail	████████████████████	**26%**
Healthcare	███████████████	**20%**
Telecoms	███████████████	**20%**
Travel & Leisure	███████████████	**20%**
Media & Advertisement	██████████████	**19%**
Other	██████████████	**19%**
Utilities	█████████████	**18%**
Public Sector	█████████████	**17%**
Finance	████████████	**16%**
Manufacturing	███████████	**15%**
IT/Tech	██████████	**14%**
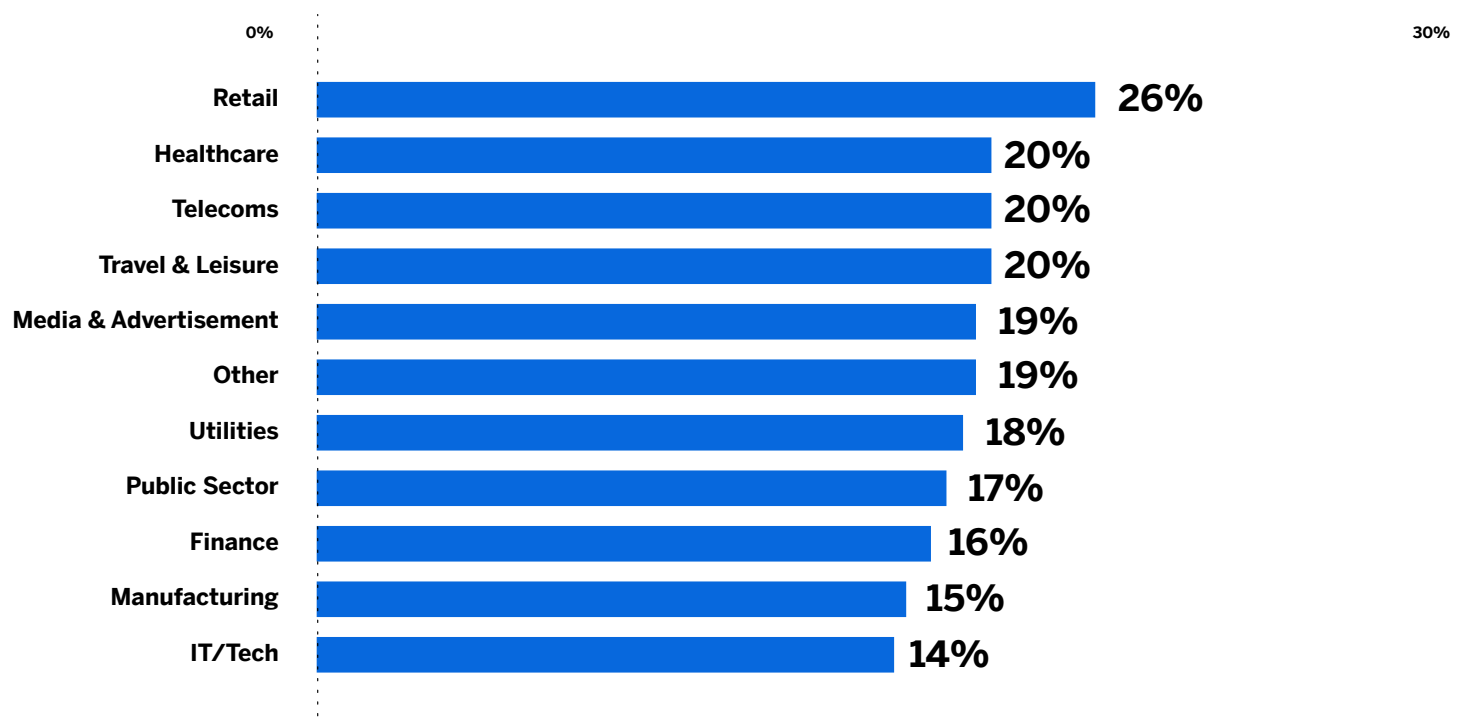
The retail industry is the highest when it comes to attrition risk with 26% of employees reporting they intend to stay for less than a year, while only 14% of employees in IT & Tech reported intending to stay less than 1 year.

Which countries or regions have the highest attrition risk?

Attrition risk by country (with % of employees intending to stay less than a year).

Country/Region	
0%	30%
Australia & New Zealand	**23%**
UK	**23%**
USA	**21%**
Eastern Europe	**21%**
Canada	**19%**
Singapore	**18%**
Nordics	**18%**
Malaysia	**16%**
France	**16%**
Middle East	**16%**
South Korea	**15%**
Benelux	**15%**
Germany	**13%**
Japan	**11%**
Thailand	**6%**
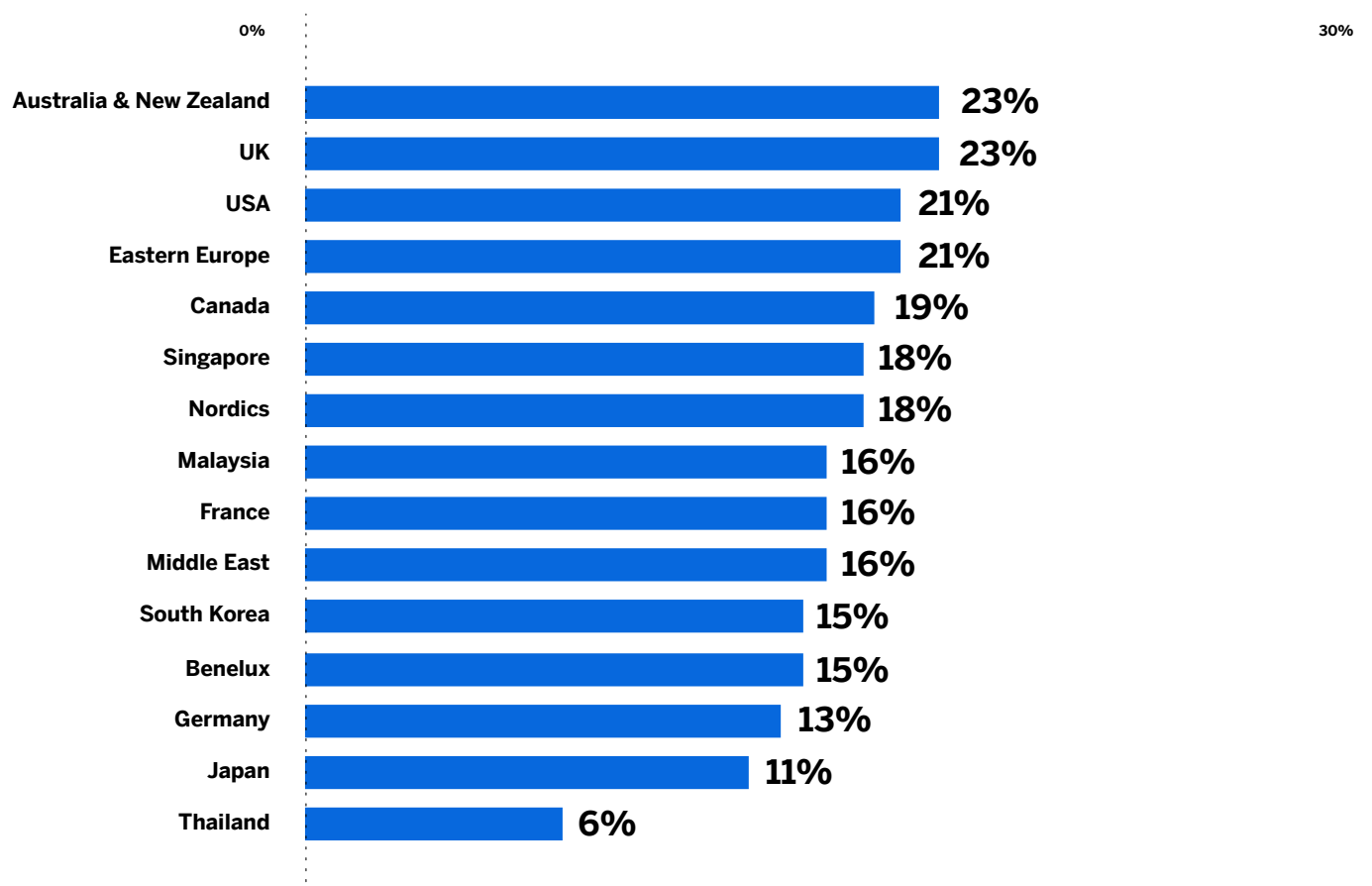
There's a significant variance in intent to stay across countries and regions. Workers in the UK, Australia and New Zealand are the most likely to leave.

RESOURCE: HOW HR CAN HELP DEVELOP MANAGERS

Empower Managers to Drive Employee Experience

HR practitioners can do a lot to improve employee experience (EX) in their organizations—but they can have even more impact when partnering with managers. Managers are the "boots on the ground" of strategic HR initiatives. They're the ones who can most visibly demonstrate that employee feedback was heard, valued, and acted upon.

Here are some examples of actions managers can take based on feedback from employee surveys.

Development Area	Low-scoring Survey Item	Best-Practice Tip
Collaboration	The people I work with cooperate to get the job done.	Review your team members' objectives. Think of ways you can create more alignment in the goals and work of your employees.
Communication	There is open and honest communication at this company.	Consider starting short bi-weekly or monthly emails to your team with the highlights of what has happened in the business that might be relevant. Creating (and sticking to) a regular channel of communication will make a difference.
Company Leadership	I have confidence in the senior leadership team to make the right decisions for this company.	Ask your team about how often and through which channel(s) they would like to hear from senior leaders—and pass this information upward.

Development Area	Low-scoring Survey Item	Best-Practice Tip
Customer Focus	I am empowered to make decisions to best serve my customers.	Ask the team to identify the changes that need to be made to improve the quality of the products and services. Take action on implementing the changes over which you have control.
Growth & Development	My manager helps me in my career development.	In an upcoming 1-to-1 with each of your employees, ask how you can help them understand their strengths and areas of opportunity. Ask if the current way you provide feedback is useful and if they would like to receive more or less feedback.
Inclusion	I trust my manager	Reflect on managers that you have had in the past who were exceptionally poor and strong examples of building trust. Write down the specific behaviors that differentiated those leaders and think about where you fall (be honest with yourself).
Performance & Accountability	I have a clear understanding of what is expected of m	Review the formal job duties and tasks with each employee on an annual basis. Note any changes in the employee's duties/tasks for the coming year. Identify the objective measures that will be used to assess the employee's performance to ensure that the employee understands your performance expectations.

Development Area	Low-scoring Survey Item	Best-Practice Tip
Strategic Alignment	I can see a clear link between my work and this company's strategic objectives	If you don't already have one, create a simple table outlining the company objectives, team's objectives, and each individual's objectives that contribute to those. Post this in your team's work area (e.g., whiteboard, printed poster) so that it is visible to everyone.
Work Process	I am encouraged to come up with better ways of doing things	Encourage the team to bring forward ideas for improvement, either in 1-to-1 sessions or a team meeting. For a bigger focus, consider doing a short crowd-sourcing session in your next team meeting.

Check out our Manager Growth Cards for more tips to help drive action from employee feedback.

LEARN MORE

Appendix: methodology and demographics

Appendix:

Methodology

The study was conducted over a span of 18 days and included 13,551 respondents 18 years of age or older who were currently employed (84% FTE; 16% PTE). For this study, the response rate was 30.6% and the margin of sampling error is ±2 percentage points at the 95% confidence level for results based on the entire sample of employed adults.

Demographics

This study looked at employees across 17 countries and regions. The breakdown of respondents amongst those countries and regions can be seen in the table below.

+ US 28.47%
+ Canada 14.23%
+ UK 7.12%
+ Australia & New Zealand 6.55%
+ Middle East 6.05%
+ Germany 3.56%
+ France 3.56%
+ Singapore 3.56%
+ Japan 3.56%

+ Eastern Europe 2.58%
+ Nordics 2.49%
+ Benelux 2.49%
+ Malaysia 2.49%
+ Thailand 2.49%
+ India 2.49%
+ South Korea 2.49%
+ Hong Kong 2.35%

Survey respondents come from a wide variety of industries as indicated by the 20% who chose "other" and represent employees at the individual contributor level (40% of respondents), as well as lower and upper management and c-level executives. About a fifth (18%) are in the customer support function and over a third (37%) have been at their current company for more than 5 years. For those that selected "Other" for sector, participants indicated, education, legal, construction & engineering, food & beverage, research, agriculture, not-for-profit, real estate, transportation.

Sector

+ IT/Tech = 15%
+ Retail = 13%
+ Manufacturing = 12%
+ Public sector = 10%
+ Finance = 10%
+ Healthcare = 9%

+ Travel & Leisure = 3%
+ Media and advertising = 3%
+ Utilities = 3%
+ Telecoms = 2%
+ Other = 21%

In addition to different sectors, the study surveyed across a spread of age, genders, and roles. These are broken down in the tables below.

Age

+ 18-24 = 11%
+ 25-29 = 17%
+ 30-39 = 34%

+ 40-49 = 21%
+ 50-59 = 12%
+ 60+ = 5%

Gender

+ Male = 57%

+ Female = 43%

Job role

+ Individual contributor = 40%
+ Manager (more than 3 years) = 22%
+ Manager (less than 3 years) = 17%

+ Leader (looks after a region) = 10%
+ Trainee/Intern = 6%
+ Executive/C-Suite = 5%

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WANT TO SEE HOW IT ALL WORKS?

Contact us for more information
on how to get started.

BOOK A DEMO