



Employee Engagement Trends Report

TOP 6 TRENDS IN 2021

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Overview

The ever-changing work environment of 2021 has left leaders wondering what to prioritize as they navigate uncertain business conditions and adapt to evolving employee needs. With this high rate of change, safeguarding the employee experience has been difficult.

This disruption has prompted leaders to focus on what matters most to actively engage and retain their top talent.

With one of the largest employee engagement databases in the United States that spans across thousands of organizations in every industry, Quantum Workplace has a unique vantage point on the workplace and trends in the employee experience. The disruption and variability in employee engagement that we've uncovered over the past 18 months hasn't been seen in recent history.

Understand the trends and how to best serve your employees in unparalleled times with the 6 employee engagement trends of 2021.



The Rise of Employee Engagement in 2020

In 2020, our data showed the highest levels of employee engagement we've seen in our research, with 77 percent of employees reporting high engagement.

2020 also marked the largest year over year growth we've seen, with engagement up more than 3 percentage points from 2019. The highest monthly employee engagement peaks were in spring and fall of 2020 with 80 percent high engagement.

These levels of engagement were unexpected as COVID-19 disrupted the lives of employees and the way many businesses operate. However, many organizational leaders adapted to this disruption in order to support employees' needs.

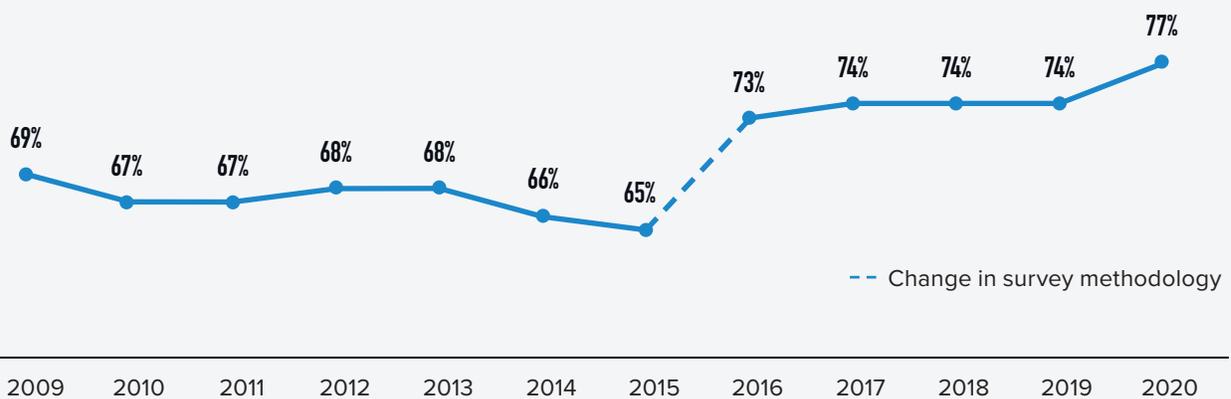
Communication from leaders became more frequent to keep employees continuously informed of perpetual changes in policies and workplace conditions.

Organizations implemented more flexible working environments and leveraged more health and wellbeing initiatives in reaction to the global health crisis.

These changes to the employee experience were reflected in employees' increased trust in leadership, elevated satisfaction with work-life balance, and higher engagement with their work.

At the same time, many businesses and industries struggled to operate effectively amid new health mandates prompting reductions in force and higher unemployment. The pandemic's peak unemployment rate was recorded in April of 2020 at 14.8 percent. Remaining employees' intent to stay at their current organization also rose amid improved workplace environments and uncertain economic conditions.

Employee Engagement Levels Peak in 2020



Source: Quantum Workplace, Best Places to Work Data

The Decline of Employee Engagement in 2021

Employee engagement in the first quarter of 2021 resembled the elevated rates of 2020 with engagement at 81 percent in January and 78 percent in February, March, and April 2021. But in recent months, these inflated rates have begun to normalize.

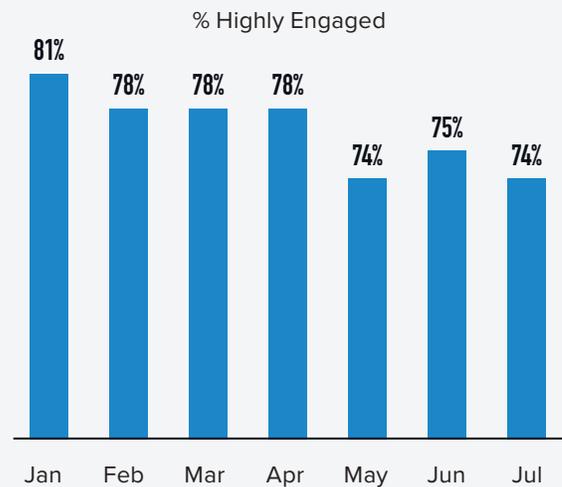
By the summer of 2021, engagement was down 7 percentage points from first quarter highs. The decline of employee engagement has been slow from month to month with engagement dropping from 81 percent in January to 74 percent in July.

Many of the areas of the employee experience organizations improved upon in 2020 have started to backtrack. Leader communication has tapered since the beginning of the COVID-19 crisis and with it so have perceptions of transparency, communication, and trust in leadership.

Many organizational leaders have called employees to return to the office and have reduced the amount of flexibility and choice employees had to work remotely. This has been done despite employees' wish to maintain a more flexible environment moving forward.

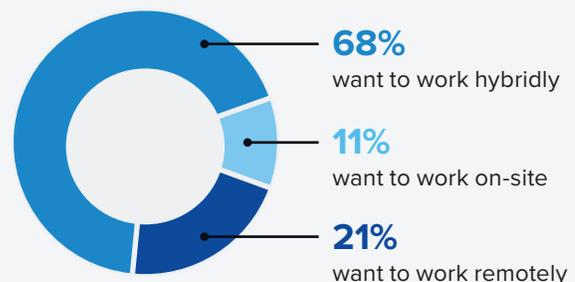
In fact, 21 percent of employees said they wanted to work remotely full-time under normal circumstances; 68 percent wanted a hybrid environment; and only 11 percent wanted to be on-site full-time. This indicates that many employees prefer to work in a remote or hybrid way even after the pandemic.

Engagement Levels Decline in 2021



Source: Quantum Workplace, Best Places to Work Data

How Employees Want to Work Moving Forward



Source: Quantum Workplace, Best Places to Work Data

The Great Resignation of 2021

Throughout 2021, there has also been a slow recovery of the labor market. As of August 2021, the unemployment rate has declined to 5.2 percent—much lower than the highs encountered in April of 2020. The economy has begun to pick up again and organizations have ramped up recruiting and hiring.

This increased job market confidence has prompted more employees to rethink their positions at their current organization.

Job Market Confidence Increased in Q2 2021



"I am confident I could get another job as good as my current one."



"I am confident I could find another job that pays as much as my current job."

Source: Quantum Workplace Research Panel

As unemployment rates decline, employees' confidence in the job market has become increasingly positive. In Q1 of 2021, only 38 percent of employees said they were confident they could get another job as good as their current one. This rate jumped substantially in Q2 with 52 percent of respondents agreeing. In addition, only 51 percent of employees said they could find another job that pays as much as their current one in Q1 which grew to 58 percent of employees in Q2.



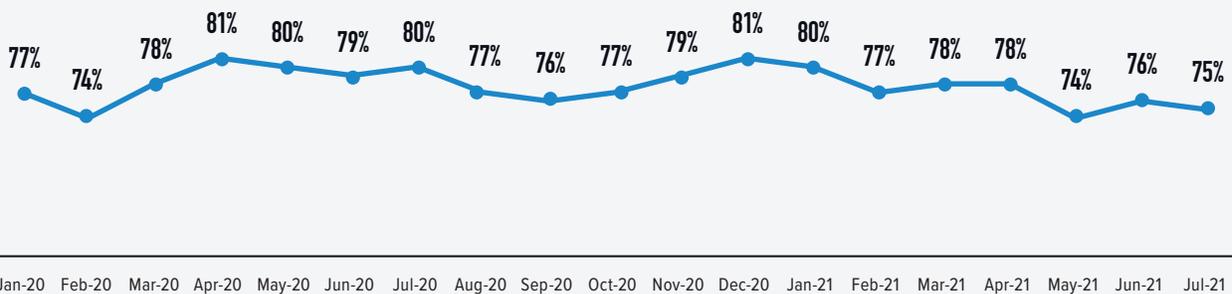
Employees' intent to stay at their current organization peaked at 81 percent in April and December of 2020. Since then, employees' intent to stay has slowly declined throughout 2021. Intent to stay levels have dropped 7 percentage points since the beginning of 2021 with about 3 in 4 employees saying that it would take them a lot to leave their organization in the summer of 2021.

Labor market data and employee experience survey insights have prompted HR leaders to refocus on retaining and developing top talent through the drivers of employee engagement and adapt their organizational culture to attract high performers.

These employee perceptions have had real workforce implications as almost 4 million employees voluntarily resigned in April and June of 2021.

Employee Intent to Stay Declines in 2021

"It would take a lot to get me to leave this organization."



Source: Quantum Workplace, Best Places to Work Data

6 Trends Impacting Employee Engagement in 2021

Many organizations are experiencing a dip in employee engagement, and the data we've collected provides insight into these trends. With this data, it's apparent that certain employee metrics are trending downward. Paying attention to these trends will help safeguard further barriers to attract, engage, and retain employees.

1. Leaders lack transparency and communication about organizational changes
2. Trust in leadership declines after the height of the pandemic
3. Work-life balance has been disrupted
4. Organizations lack employee health and wellbeing support
5. Employee engagement and recognition are trending downward
6. Career growth opportunities have become less clear



1. Leaders lack transparency and communication about organizational changes.

During the height of the pandemic leaders were communicating much more than usual and sharing more information than they ever had before. They communicated about safety measures, thoughts related to social justice, and perspectives on current and upcoming challenges. Now, many leaders have stopped continuous communication, and it hasn't gone unnoticed to employees.

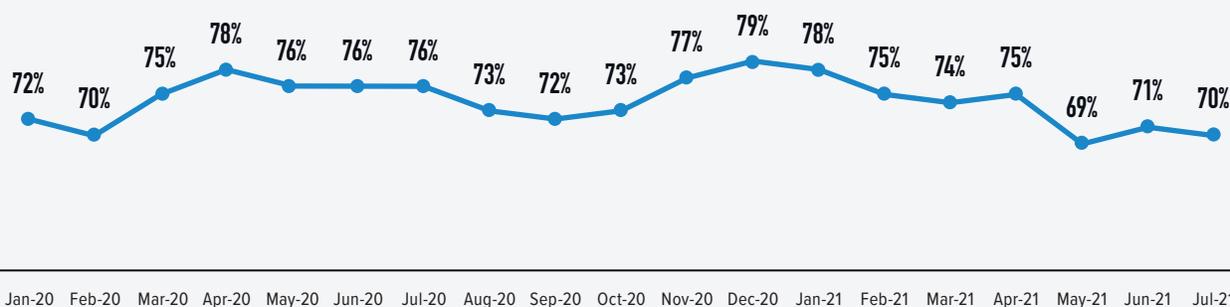
In April 2020 and again in January 2021, 78 percent of employees said they understand why their organization makes changes. However, by July of 2021, this figure dropped to 70 percent. This drop suggests possible employee-organization misalignment, as employees are left in the dark when changes are made.

To increase alignment and engage your workforce, [communicate about the changes](#) your organization makes. By letting employees in on when and why certain measures are being taken, you can increase buy-in and understanding of the plans and decisions you make.

Top to bottom, all employees should have a sense of how the business is doing including its challenges and focus areas. Greater transparency and information sharing will create more accountability on all sides.

Leaders Lack Transparency & Communication About Organizational Changes

"When the organization makes changes, I understand why."



Source: Quantum Workplace, Best Places to Work Data

2. Trust in leadership declines after the height of the pandemic.

A key driver of employee engagement is trust in leadership. While perceptions of leadership had unprecedented increases in 2020, they have since decreased in the second half of 2021.

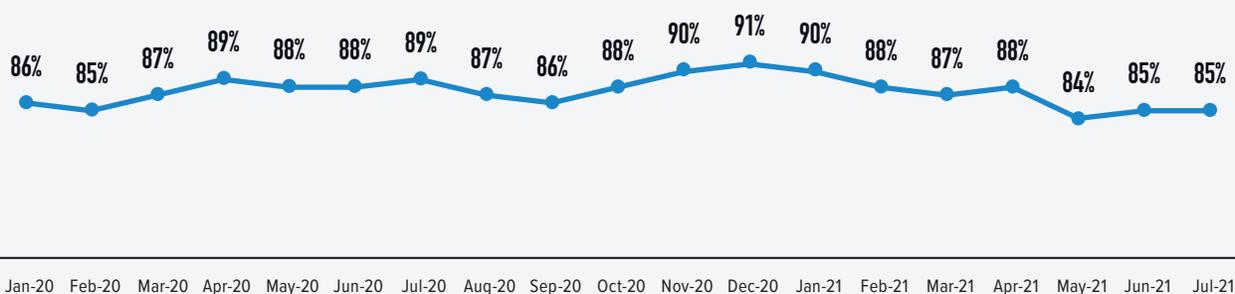
At its peak, about 9 in 10 employees trusted their senior leaders to lead the company to future success during the height of the pandemic. That figure has since dropped to 84 percent in May of 2021.

These leadership metrics show that employees' [trust in leadership](#) is trending downward. When employees don't feel valued, properly connected, or lack respect and trust for their leaders, employee engagement declines and turnover rates grow.

Design processes and channels that prioritize consistent communication to create a workplace environment built on trust. Trust in leadership is built with transparent and regular communication, a focus on engagement and retention, and a successful business strategy.

Trust in Leadership Declines After Height of Pandemic

"I trust our senior leaders to lead the company to future success."



Source: Quantum Workplace, Best Places to Work Data

3. Work-life balance has been disrupted.

Employee flexibility is critical in driving employee engagement. During the pandemic, employers were quick to adopt more flexible workplace policies. However, employee perceptions regarding work-life balance have declined at a fast pace in 2021.

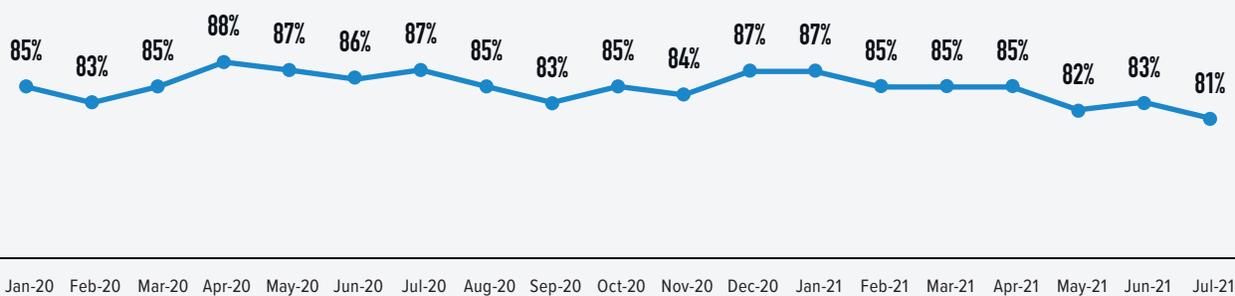
In the spring and summer months of 2020, an average of almost 87 percent of employees said their job gives them the flexibility to meet the needs of both their work and personal lives. In Q1 of 2021, 86 percent of employees agreed with this statement, but by Q2, this dropped to only 81 percent.

When employees feel that flexibility, manageable workloads, clear expectations, and collaborative goals are lacking, workplace stress becomes a threat to the employee experience. This causes burnout and low engagement levels in an already chaotic and stressful business climate.

To retain employees, consider re-evaluating your employee [work-life balance initiatives](#). Many employees want to continue working remotely. To retain top talent, create a policy that prioritizes both employee flexibility and business success.

Work-Life Balance Has Been Disrupted

“My job gives me the flexibility to meet the needs of my work and personal life.”



Source: Quantum Workplace, Best Places to Work Data

4. Organizations lack employee health and wellbeing support.

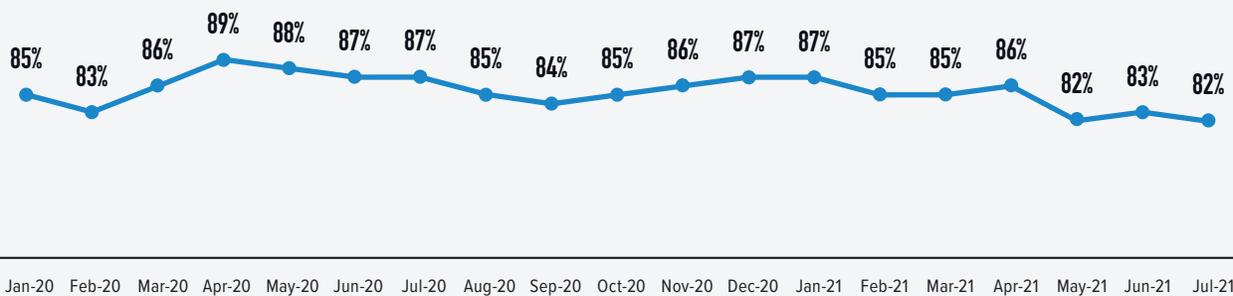
To effectively engage employees, organizations need to create a culture that prioritizes their needs—this includes safeguarding employees’ mental and physical health and wellbeing.

In April through August of 2020, an average of 87 percent of employees said their culture supports their health and wellbeing. In Q1 of 2021, 86 percent of employees agreed, declining to only 82 percent in Q2.

When organizations lack a strong culture that promotes [employee wellbeing](#), it’s highly visible in the employee experience. When employees don’t feel cared for, their engagement declines. When engagement declines, business success is in jeopardy. Top talent is attracted to organizations that support their wellbeing and push their performance as employees.

Organizations Lack Employee Health and Wellbeing Support

“Our culture supports my health and wellbeing.”



Source: Quantum Workplace, Best Places to Work Data

5. Employee engagement and recognition are trending downward.

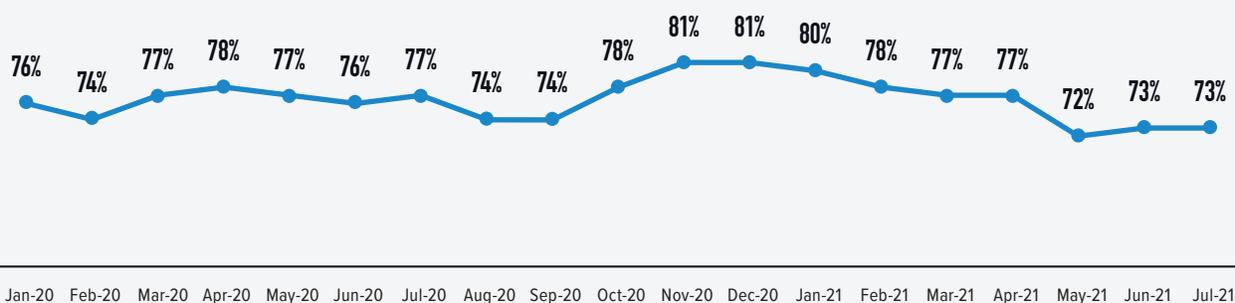
Another key driver of employee engagement is recognition. When employees are regularly recognized by others, they feel empowered to perform at their best. When employees don't feel recognized, employee engagement and performance decline.

At the peak of the pandemic, 81 percent of employees said they know they would be recognized if they contribute to the organization's success. However, this sentiment dropped to 72 percent by May of 2021.

Lack of recognition negatively affects employees' confidence to perform successfully. Employees need to feel appreciated and heard by others to continuously [produce positive outcomes](#). Helping employees feel valued has been a standard driver of engagement for years. Aim to create a culture that celebrates recognition, especially in times of low employee engagement.

Employee Recognition is Trending Downward

"If I contribute to the organization's success, I know I will be recognized."



Source: Quantum Workplace, Best Places to Work Data

6. Career growth opportunities have become less clear.

Offering opportunities for career growth and development is essential in retaining high performers.

At the beginning of 2021, 78 percent of employees reported they saw professional growth and career development opportunities for themselves in their organization. This has since declined with about 72 percent seeing these opportunities in May 2021.

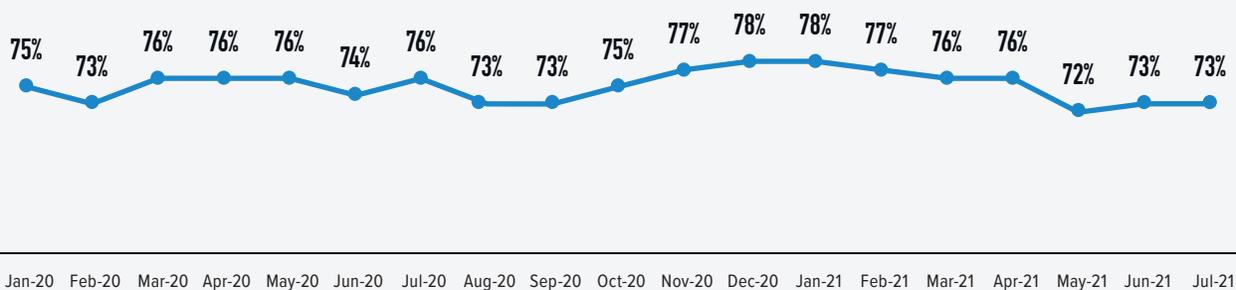
Without the opportunity for growth, employees can feel stagnant and unwilling to perform more than the bare minimum. Employees may search for other employers in this situation, negatively affecting retention rates.

Leverage [one-on-ones](#) to understand employees' growth and development interests.

Once this understanding is in place, you can close internal skill gaps with online training sessions and webinars, manager coaching and mentorship, peer coaching, cross-training, and stretch assignments. When organizations invest in their employees, their skills, engagement, and retention rates grow.

Career Growth Opportunities Have Become Less Clear

"I see professional growth and career development opportunities for myself in this organization."



Source: Quantum Workplace, Best Places to Work Data

2021 Workplace Insights

From compiling employee data to connecting with customers, HR professionals, and senior executives, our workplace experts have unique insights into the trends and future of employee experience.

Predictions for the Future

Engagement levels have been changing dramatically for the past 18 months. Although these levels are declining in Q2 of 2021, it's difficult to predict what they will be in the future. This rapid rate of change continues to drive the importance of prioritizing the employee experience.

5 HR Focus Areas for Future Success

1. Employer Brand

Organizations should focus on retaining their best and difficult-to-replace employees by branding themselves as an employer of choice. This is especially important as the competition for talent becomes apparent in the current job market.

The perks, benefits, and culture that organizations provide may not be what employees desire now. Consider re-thinking your [employee value proposition](#) to become competitive in attracting top talent while retaining employees who already drive business outcomes.

Prior to the pandemic, employees may have felt like they had no other option than to settle for a job that was less than desirable to support themselves. Employees are now at a unique point where they can truly define what is meaningful to them. If employees aren't attracted to the culture and benefits leveraged by their organization, they will look elsewhere for employment.



2. Learning and Development

Refine your learning and development initiatives to close internal skills gaps and celebrate employee growth. Employees are the most important part of your future success. Investing in their learning and growth, listening to their ideas and opinions, and removing barriers to their success is critical.

Comprehensive, ongoing leadership development and coaching is another imperative. The best organizations budget money, time, and other resources to push their coaching initiatives. This is increasingly important as leaders need support now more than ever.

Actively safeguard flight risk levels and boost the performance of your employees by providing organizational growth opportunities to set employees up for success.

3. Flexibility and Mental Wellbeing

[Research](#) shows that events like a global pandemic cause self-reflection. What matters to people now may look different than before.

While pay matters, top organizations often find that workplace cultures that prioritize employee health, wellbeing, and flexibility are better able to attract and retain top performers. Create an environment that prioritizes these benefits as a new imperative in the employee experience.

4. Employee Feedback

Organizations can't improve without a clear understanding of employees' valuable perceptions and suggestions for growth. They need to develop a [continuous listening strategy](#) that helps them understand the employee experience, both good and bad.

[Feedback](#) can help you understand what is attractive to employees, what engages them, and what might compel them to go to another organization. Leverage employee lifecycle surveys like new hire experience surveys and exit surveys. Slice employee engagement survey responses by employee performance level to see the unique perspective of top performers compared to others.

Having a clear, continuous understanding, and viewing perceptions by key groups (i.e. top performers), helps organizations take timely, appropriate, and meaningful action. Elevating your employee listening strategy will help you focus your efforts where they can drive more impact, which, in turn, will increase engagement and decrease employee turnover.

5. Predictive Analytics

Leverage tools that give your leaders insight into the flight risk of individual employees. With a streamlined flight risk analysis platform, you can identify high-risk employees before they turnover. Retain top performers and reduce turnover costs with an effective [data intelligence platform](#).



Lasting Legacies for Driving the Employee Experience

[Remote and hybrid work arrangements](#) have become the norm. Organizations will continue to leverage flexibility as a necessary employee benefit long after the pandemic.

Employers have also recognized that their workforce is first and foremost human. Humans need to balance their workload and personal lives—and organizations need to get creative about how they support that need.

The best organizations are breaking away from the celebration of overwork by supporting mental and physical health to promote work-life balance. This new outlook will be adopted by successful organizations who want to continue attracting top talent.

Employee empowerment and autonomy has become increasingly important in the past 18 months. COVID-19 has changed what employees value in a good job. While particular needs have been consistent across time, such as recognition, clear expectations, and performance feedback, many employees' mindsets have shifted.

Employees now prioritize workplace offerings and values that better align with their needs. Organizations that adapt, listen, collaborate, work with their employee base, and value autonomy will attain higher employee engagement and retention rates.



Conclusion

The lasting effects of the pandemic have created a changeable work environment, unparalleled to recent times. The unique chain of events that workplaces experienced over the past 18 months prompted an understanding behind the importance of employee engagement. Leverage our insights to best navigate the ever-changing modern workplace.

Survey Methodology

The research from this report was derived from the [Best Places to Work contest](#)—powered by Quantum Workplace. This nationwide contest measures the employee experience of over 1 million voices across thousands of the most successful organizations in the United States. From this respondent pool, we conduct an opt-in, independent research panel with over 32,000 individuals who share their workplace experiences. This unique vantage point gives us the ability to understand workplace trends to supply insights that help other organizations succeed.

Quantum Workplace e9 Model

At Quantum Workplace, we measure employee engagement using our e9 model. This model includes nine engagement items that assess the strength of employees’ emotional and mental connection with their work, team, and organization.

Work	Team	Organization
My work motivates me.	My immediate coworkers consistently go the extra mile to achieve great results.	It would take a lot to get me to leave this organization.
I find my work engaging.	My immediate coworkers are committed to this organization’s overall goals.	I recommend this organization as a great place to work.
I am inspired by the work we do.	I feel accepted by my immediate coworkers.	I am proud to work here.