

# State of Employee Engagement Q3 2021

Top Insights from People Leaders and Employees



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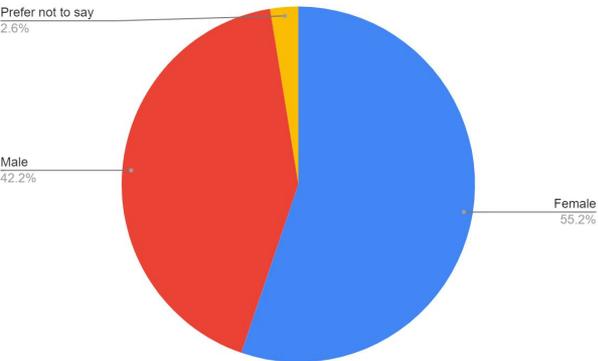
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# Employee Engagement Survey Methodology

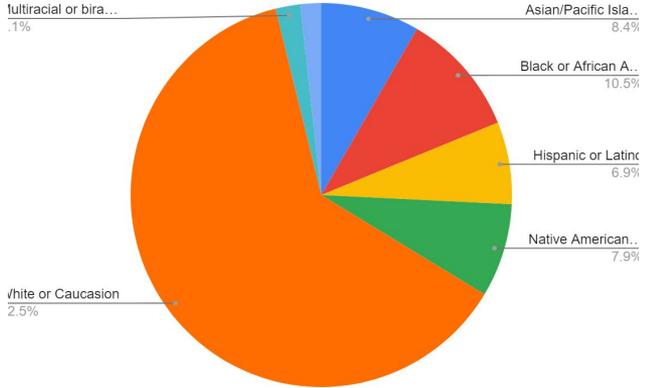
Since the beginning of the pandemic and the great migration to work-from-home, the landscape of work has been permanently altered. Our survey of over 600 HR professionals and leaders as well as 100 employees around the world offers insight into the changing world of work.

- **People Leader Respondents.** Leaders and Human Resources were contacted through email, LinkedIn, and professional networking sites with the opportunity to complete a survey on their priorities and challenges in the third quarter of 2021. A total of 621 respondents completed the HR/People leader survey between August 8 -25, 2021.
- **Employee Respondents:** Employee respondents were recruited through Mturk and reddit. A total of 100 respondents completed the Employee survey between August 9 - 19, 2021.
- **Timing.Geography.** A total of 39 Countries/Territories were represented in the HR/People Leaders sample. The majority of responded (80%) were living in the United States.

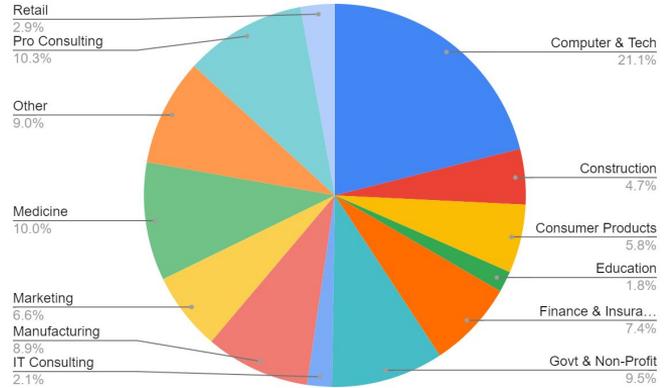
Gender



Race



Industry



# Executive Summary

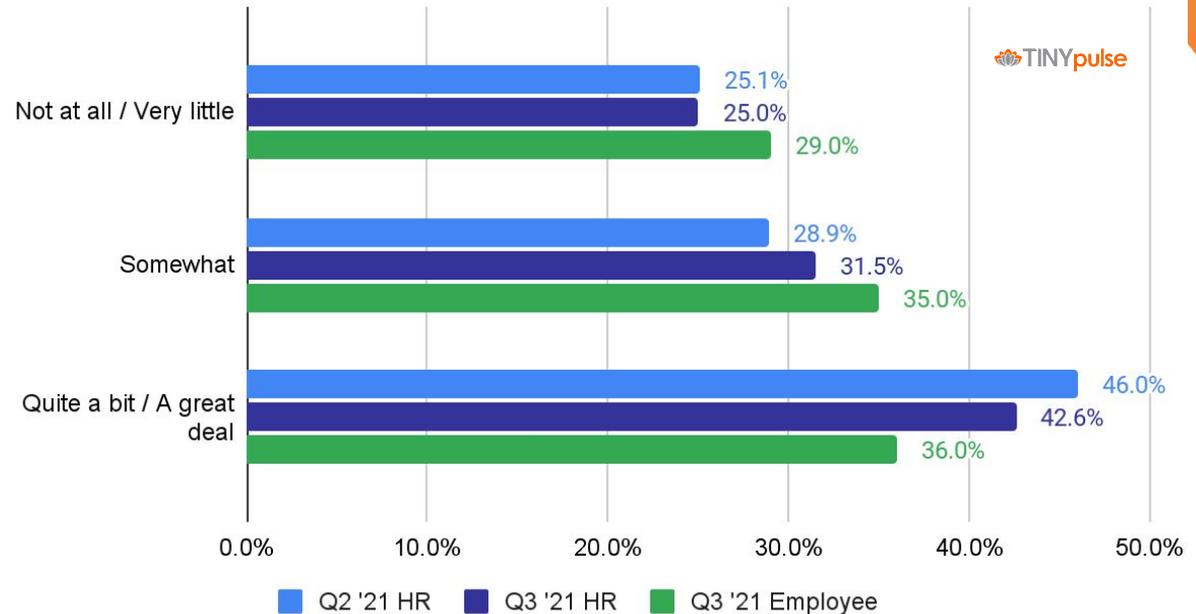
- **Questions about hybrid work.** HR/People Leaders in Q2 offered high endorsement for hybrid work. However, hybrid work was much less endorsed in Q3. In addition, employees reported hybrid work was the most emotionally exhausting.
- **Increasing acceptance for vaccinations and mandates.** 62.4% of people leaders reported they are fully vaccinated. Another 15.0% reported partially vaccinated. More organizations have a vaccine policy in place. A strong majority of HR/People Leaders *and* employees are favorable toward a vaccine mandate.
- **HR Leaders Continue to Predict Turnover Trickle.** HR/People leaders predict 7.8% turnover in the coming months which indicates they are expecting a turnover trickle rather than a tsunami.
- **HR prioritizing hiring.** HR/People leaders report focusing on specific recruitment tactics: remote work, leveraging culture, and flexible work hours.
- **HR/People flourishing less than employees.** HR/People leaders reported flourishing 44% less than employees. In addition, more HR/People leaders reported being burned out compared to employees.
- **Increasing need for surveying employees.** With so many changes taking place, HR/People leaders need to be informed about employees' experiences. In many cases, employees attitudes were very different from HR/People leader predictions. In some cases, such as work location preferences, HR/People leaders completely missed the mark on employee experiences.

# Emotional Exhaustion and Burnout

# HR and People Leaders over-reported by 18.3% that employees were Quite a bit and A great deal burned out in Q3. This can bias decision making, so HR should survey their people before implementing significant programs related to burnout.

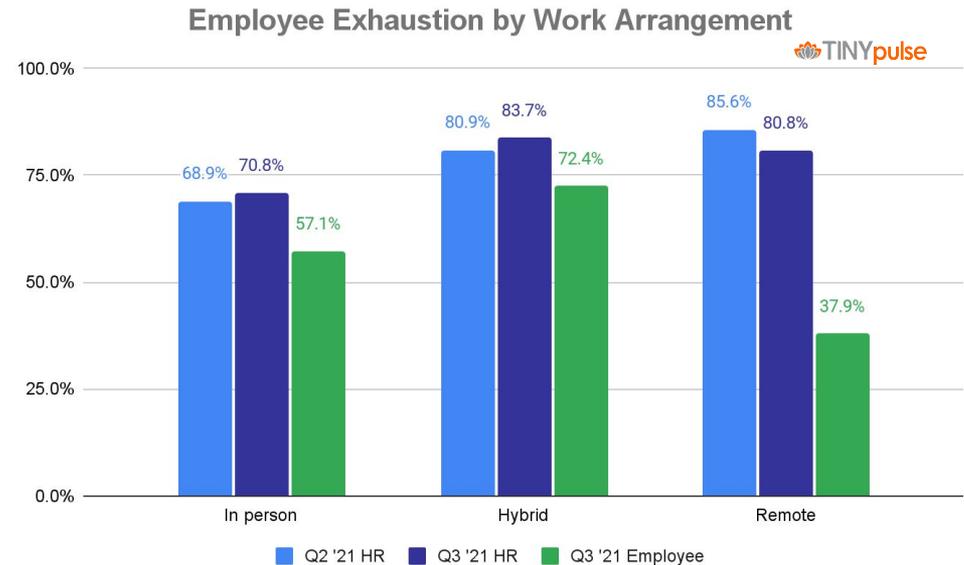
- Employees in Q3 reported 'Quite a bit' and 'A great deal' burned out 36.0% of the time versus HR estimating Q3 to be at 42.6%.
- This finding did not change when factoring in gender, race, parental status of HR leaders.
- HR and People Leader's estimations of burnout were relatively consistent from Q2 to Q3.

## Employee Burnout as Reported by HR and Employees



**HR also substantially overestimates the level of employee exhaustion for Remote employees by over 100% (80.8% versus 37.9%). This is another reason to ensure that management has a frequent pulse on how their employees are feeling.**

- For In person, Hybrid, and Remote. HR consistently overestimated the amount of exhaustion employees were experiencing.
- 80%+ of People leaders believe that Hybrid and Remote work are emotionally exhausting for employees.
- Employees rate the least exhausting work arrangement for them is Remote, followed by In person, then Hybrid.

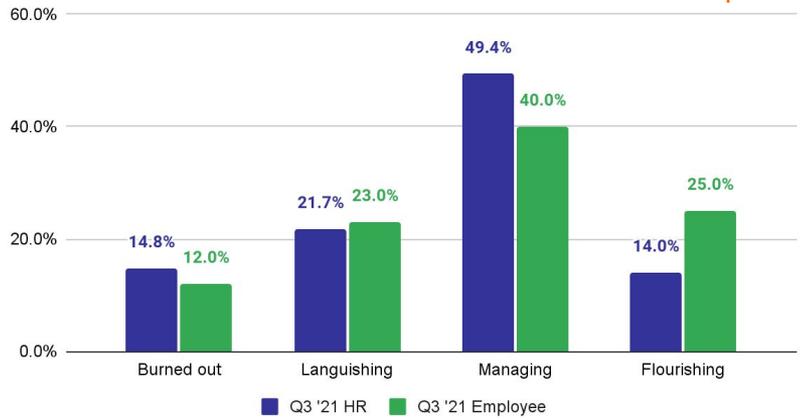


# HR is Flourishing 44% less than employees, which is alarming considering the impact of their role has on employee and the organization.



- **Burned out** - feeling mentally and physically drained from overwork or stress.
- **Languishing**- feeling as though you are muddling through your days.
- **Managing**- staying on top of responsibilities but not quite flourishing. TINYpulse research added this as a fourth option to Grant’s other three here.
- **Flourishing**- feeling a sense of meaning, mastery, and mattering to others.

Q3 '21 HR and Q3 '21 Employee 

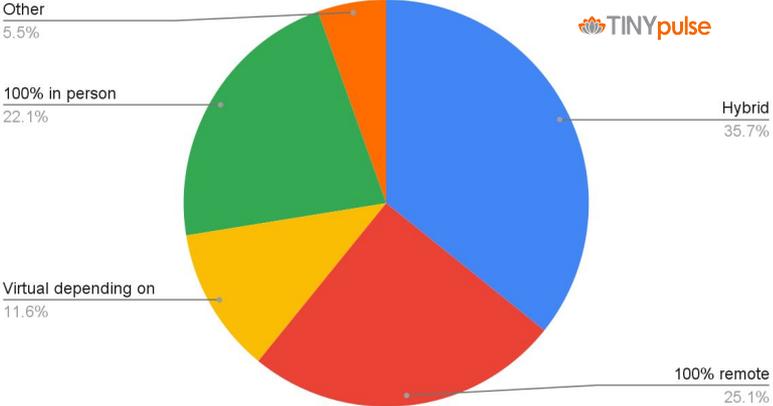


- HR leaders report managing 23.5% more than employees.
- Roughly 1/3 HR leaders and employees are Burned out or Languishing.

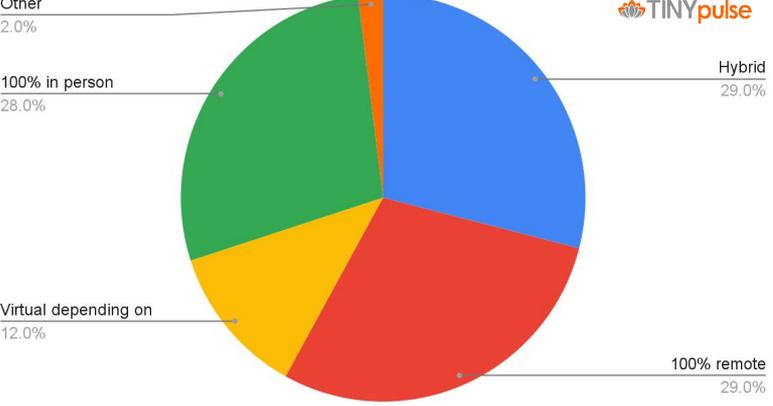
# Return to Work

In Q3, 100% in person work arrangement for HR was at 22.1%, which trailed 100% remote at 25.1% and Hybrid at 35.7%. For employees, the percentages were closer at 28.0%, 29.0%, and 29.0%, respectively.

Q3 '21 HR: Current Work Arrangement



Q3 '21 Employee: Current Work Arrangement

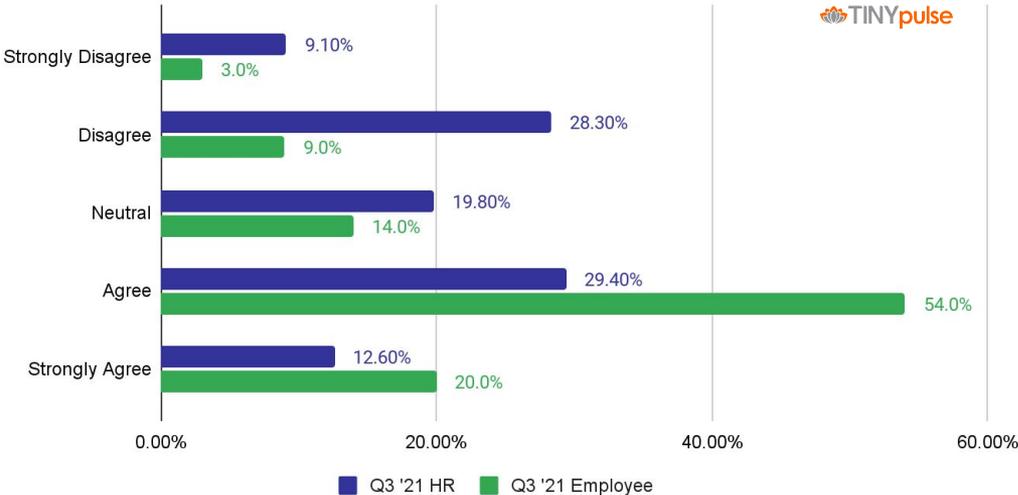


- Hybrid is the most popular current work arrangement for HR leaders at 35.7% and is tied for the most popular work arrangement for employees at 29.0%.
- Hybrid (29.0%), '100% remote' (29%), and 100% in person (28%) are all common work arrangements for employees.
- Virtual depending on the position was the least common work arrangement for both HR leaders (11.6%) and employees (12.0%).

# Employees are 76% more confident than HR that their organization will go back to business as usual after COVID-19 is no longer a serious threat. HR likely foresees more changes coming and need to be mindful of change management while implementing new programs.

- 74.0% of employees agree or strongly agree that once the pandemic is over that it will be Business as Usual compared to 42.8% of HR leaders.
- The large discrepancy between HR/People leaders and Employees indicates HR /People leaders are perceiving more impact of the pandemic on their organization.

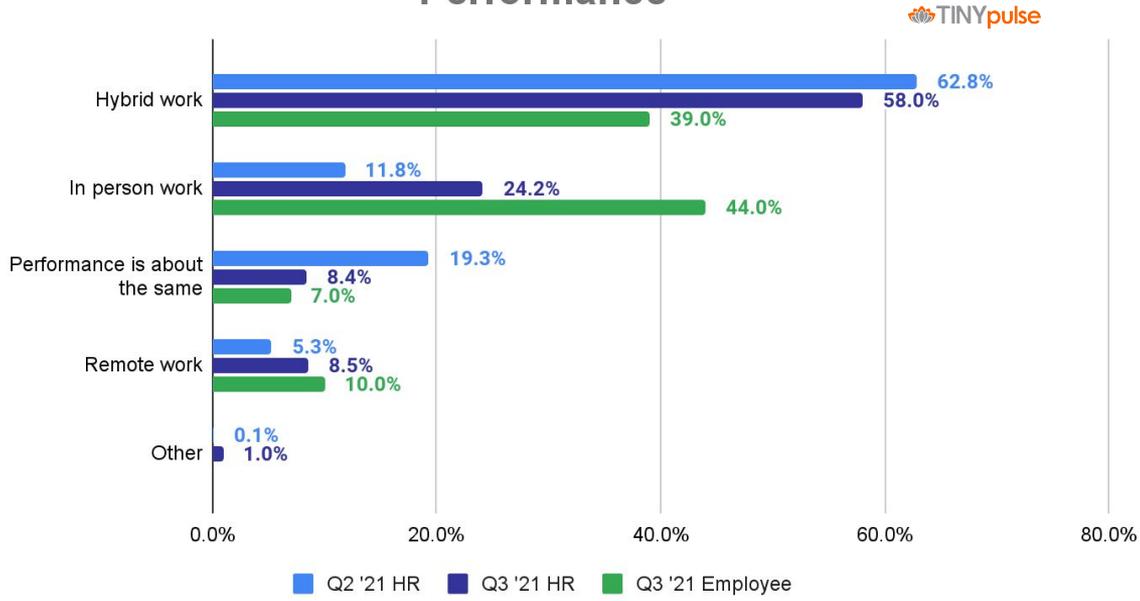
After COVID-19 is no longer a serious threat, I expect that things in my organization will go back to business as usual.



# HR leaders believe that the optimal work arrangement for their employees' performance is hybrid, whereas employees believe that the optimal work arrangement for their performance is in person.

- HR leaders estimate employees' optimal work arrangement is hybrid by 48.7% more than employees.
- Employees report their optimal work arrangement is in person work which is 83.8% more than HR leaders. This suggests employees are open to in-person work.

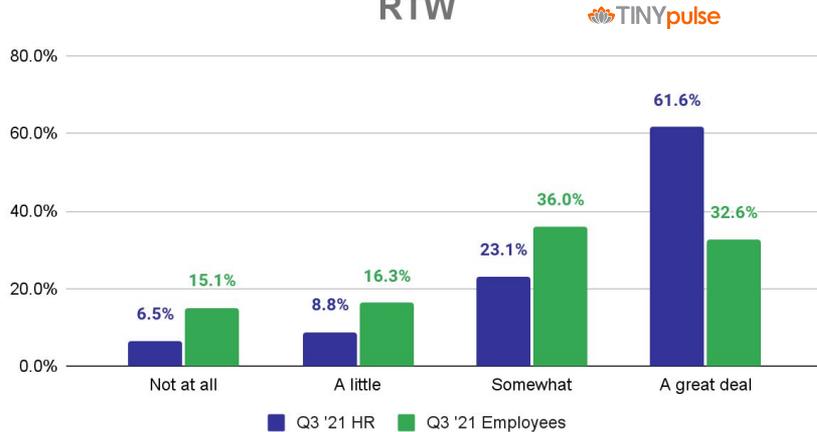
### HR and Employees Q3: Which Arrangement Optimizes Performance



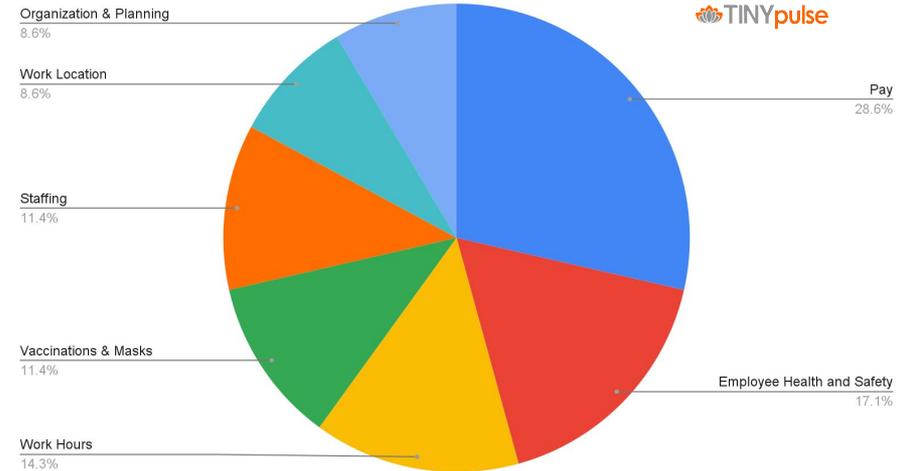
## HR leaders and employees feel differently about the extent their organization has kept its promises during RTW.

- HR leaders believe that their organization kept its promises 'A great deal' during RTW 89.0% more than employees believe.
- Employees believe that their organization kept its promises 'Not at all' during RTW 132.3% more than HR leaders.

### Q3 '21: Promises Kept By Organization During RTW



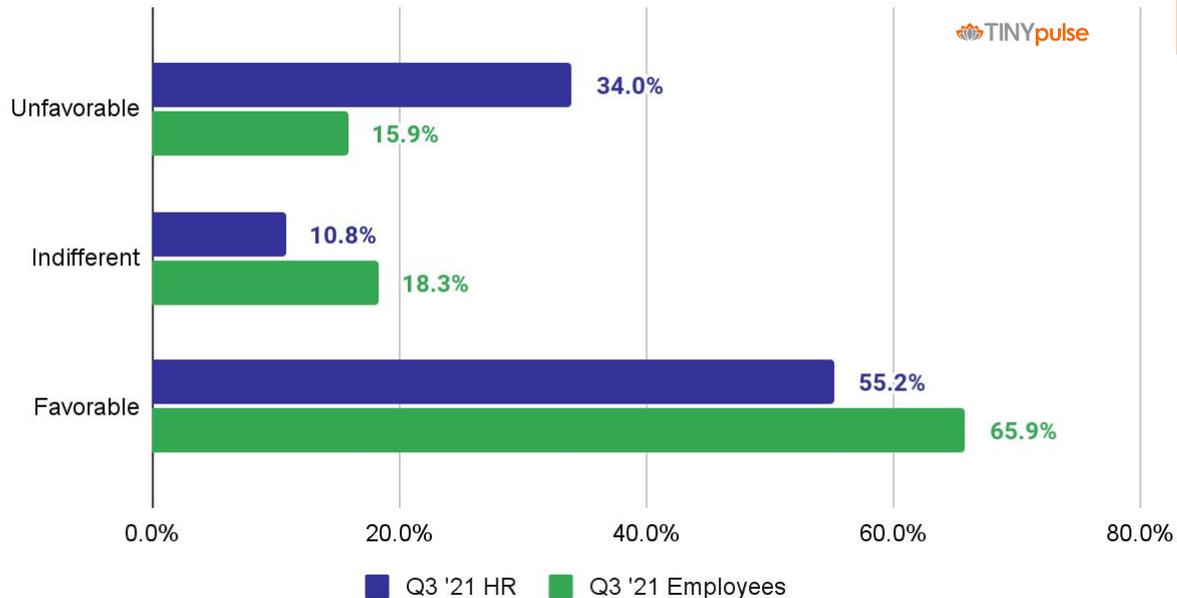
### Q3 '21 Employees: Promises Broken By Organizations



# HR leaders and employees have different attitudes on RTW, with employees being more favorable than HR.

- Employees are 19.4% more favorable and 69.4% more indifferent about RTW than HR leaders.
- HR leaders have 113.8% more unfavorable attitudes toward RTW than employees.

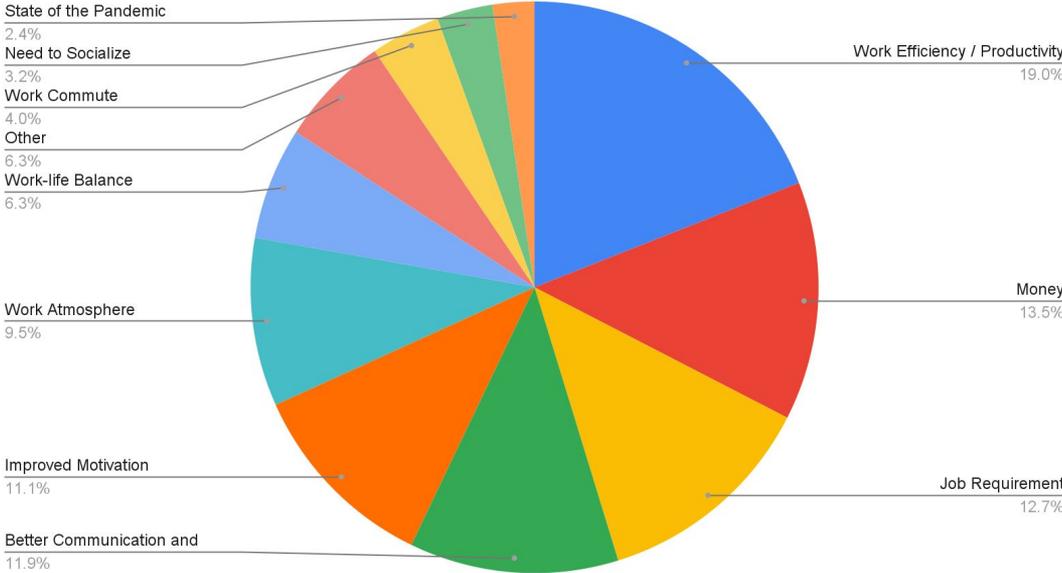
## Employee Preference on RTW



# Employees volunteered a variety of explanations for their RTW preferences. The top two explanations centered around work efficiency and money.

- Roughly 1 out of 5 employees' attitudes toward RTW are influenced by work efficiency.
- The state of the pandemic was only mentioned in 2.4% of responses which indicates that it does not have a large impact on workers' attitudes toward RTW.

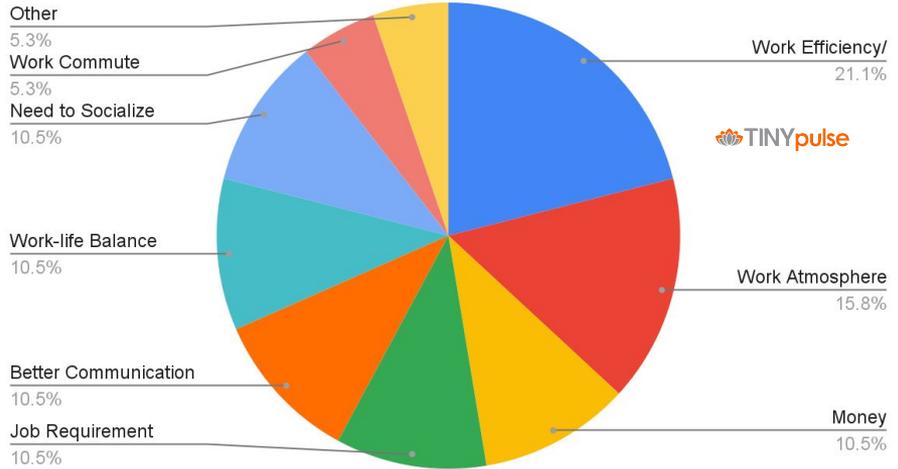
### Q3 '21 Employee Reason for RTW Preference



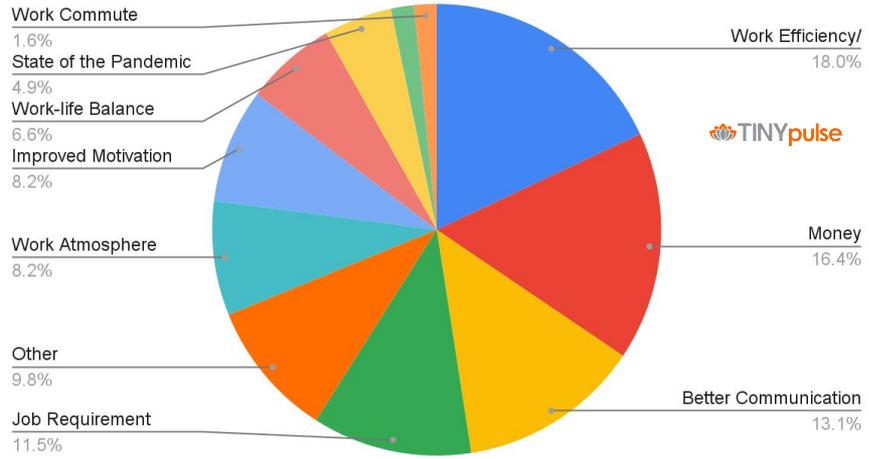
# Employees cited Work Efficiency / Productivity as the #1 reason for unfavorable AND favorable RTW attitudes.

- Overall, the first category of work efficiency was the same for *both* groups, with unfavorable citing 21.1% of the time and favorable citing 18.0% of the time.
- However, the second largest explanations differed with those favoring returning to work citing money (16.4%) and those unfavorable toward work citing work atmosphere (15.8%).
- The state of the pandemic was only mentioned in 2.4% of favorable responses which indicates that it does not have a large impact on workers' attitudes toward RTW.

Q3 '21 Employee Reason for Unfavorable RTW Attitudes



Q3 '21 Employee Reason for Favorable RTW Attitudes



# Men in HR feel more positive about returning to work compared to women and that gap has increased from 5.9% in Q2 '21 to 12.5% in Q3 '21.

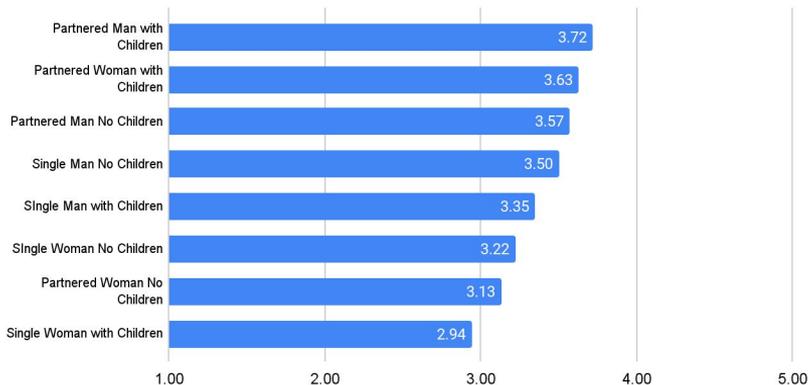
- Men, who were people leaders, feelings about RTW was steady at 3.6 in Q2 '21 and Q3 '21.
- Women, who were people leaders, feelings about RTW dropped from 3.4 in Q2 '21 to 3.2 in Q3 '21. This was a small drop; however, it's important to monitor these trends because women were significantly less favorable about returning to in person work.

### Gender and RTW Favorability Over Time

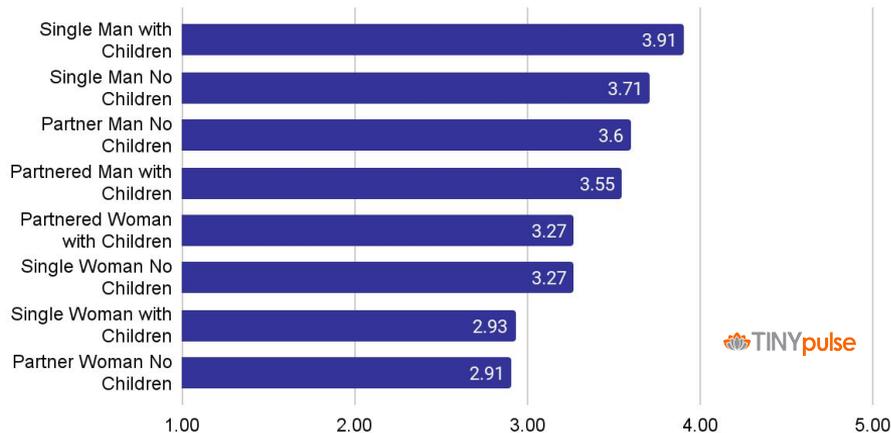


# Surprisingly, in Q3 men responded with a more favorable RTW attitude regardless if they had a partner or children.

### Q2 '21 Parental and Partner Status: Return to Work Favorability



### Q3 '21 Parental and Partner Status: Return to Work Favorability

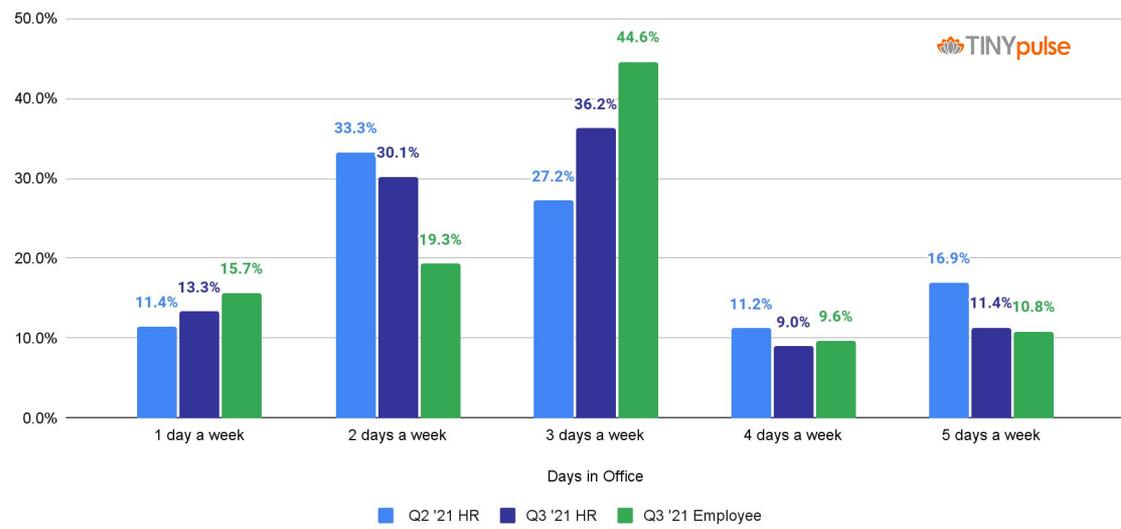


- In Q3, single men with children rated their favorability toward return to work 33.5% higher than single women with children.
- From Q2 to Q3, there was also a widening gap between the group with the highest return to work favorability and the group with the lowest return to work favorability. Q2 scores had a spread of .78 but in Q3 this increased to 1.0.

# In Q3 '21, employees and HR leaders had similar preferences for transition back to in-person work from remote work. Three days a week in the office was the most preferred option.

- In Q3, 3 days a week in the office was the most preferred option for both employees (44.6%) and HR leaders (36.2%).
- In Q2, 2 days a week was the most preferred option for HR at 33.3% before dropping to their second preference at 27.2% in Q3.
- 4 days a week in the office was the least preferred option for both employees (9.6%) and HR leaders (9.0%).

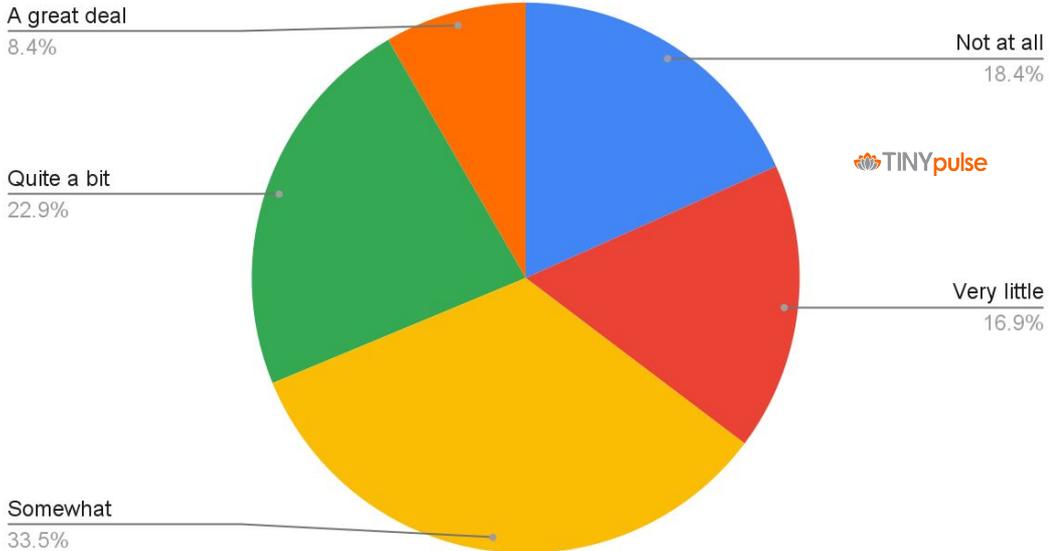
Q2 '21 HR, Q3 '21 HR, and Q3 '21 Employee (Days in Office)



# Only 8.4% of HR/People leaders reported return to work plans were impacted a great deal by the Delta Variant.

- In fact, 18.4% HR/People leaders reported the Delta did not affect their return to work plans at all.
- The majority of HR/people leaders reported that the Delta Variant somewhat impacted their organization's return to work plans.

### Effect of Delta Variant on RTW Plans

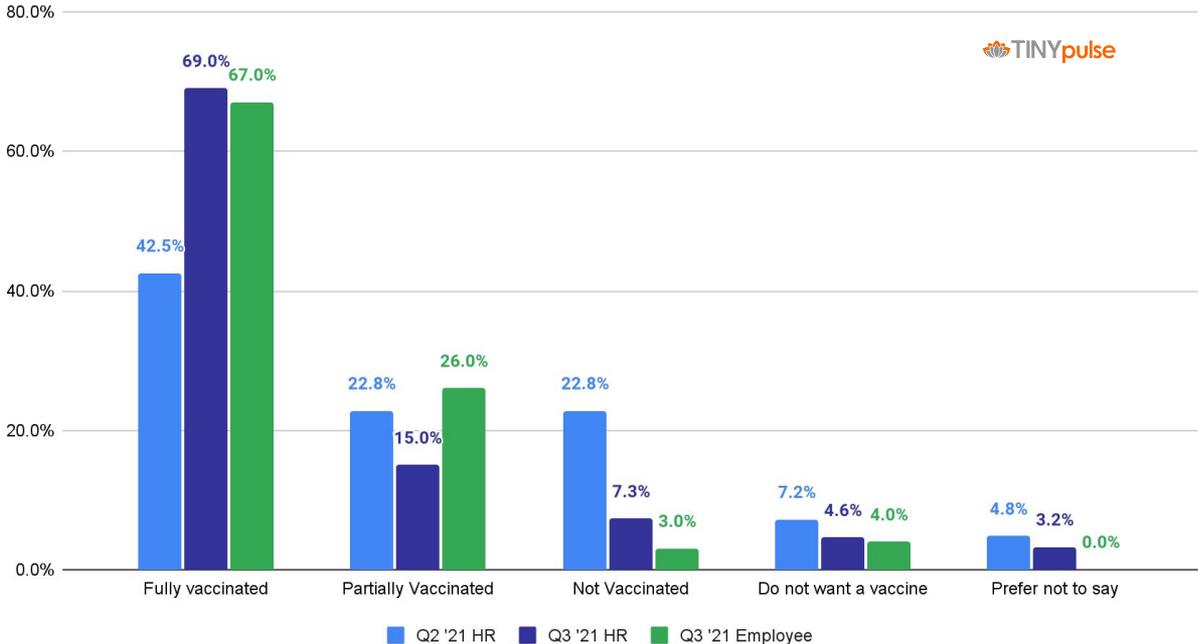


# Vaccine Status and Policies

# The percentage of fully vaccinated HR / People leaders jumped 62.4% from Q2 to Q3.

- Notably, the percentage of respondents who do not want a vaccine also decreased in Q3.
- In Q3 employees and HR reported fully vaccinated at similar percentages.
- 26% of employee respondents were partially vaccinated in Q3 indicating that the number of fully vaccinated employees is likely to continue to increase.

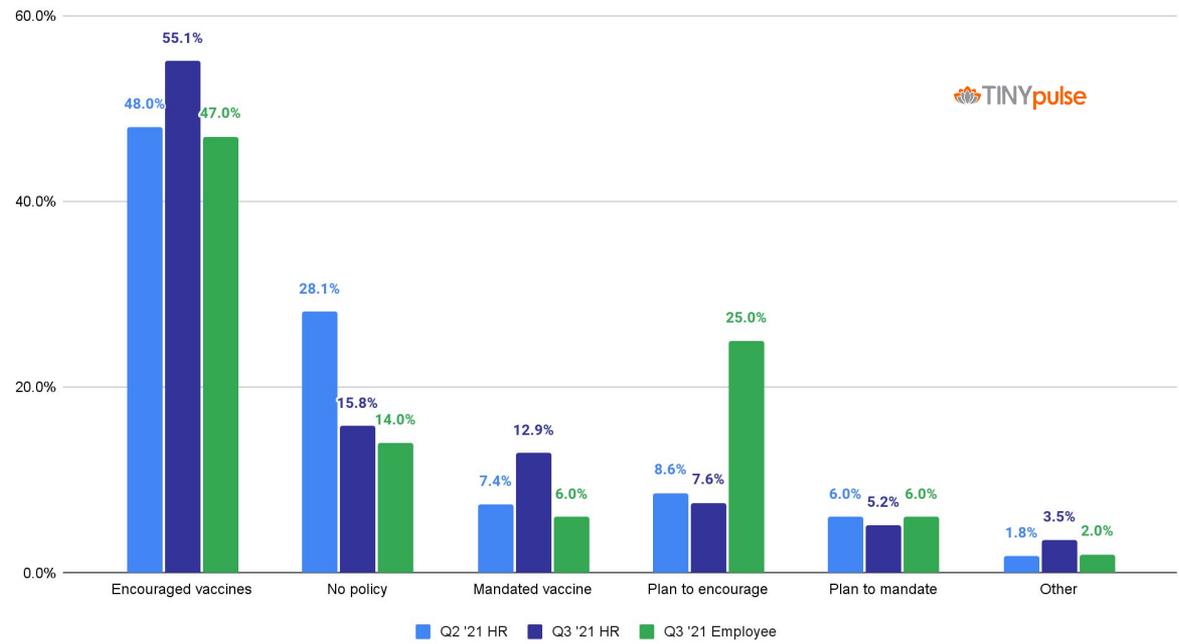
### HR and Employee: Vaccination Status Trend



# HR leaders' and employees' organizations both highly Encouraged Vaccines. Significant decrease in organizations without a vaccine policy, as the trend towards mandating vaccines climbed by 74.3%.

- Majority of HR leaders' organizations (55.1%) and employees' organizations (47.0%) Encouraged Vaccines.
- The largest drop from Q2 to Q3 was a 43.8% drop in HR reporting No policy.
- Mandating vaccine saw a 74.3% surge from Q2 to Q3.

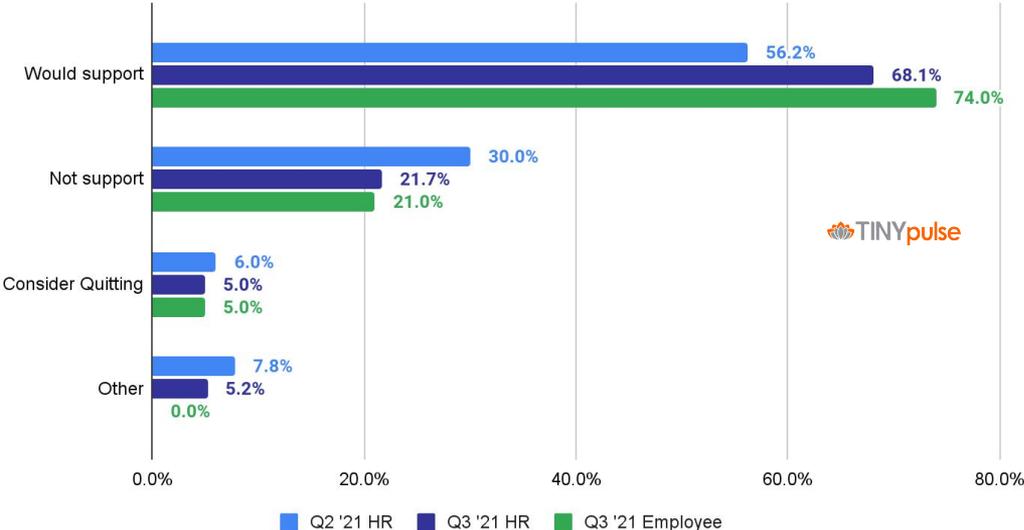
Q2 '21 HR and Q3 '21 HR: Vaccine Policy Trend



# A majority of HR leaders and employees would support a Vaccine Mandate; however, employees are more supportive than HR leaders.

- In Q3, a majority of HR leaders (68.1%) and employees (74.0%) would support a Vaccine Mandate.
- Employees are 8.7% more supportive than HR leaders of a Vaccine Mandate.
- Percentage of HR not supporting a vaccine mandate dropped from 30.0% in Q2 to 21.7% in Q3, which is similar to the 21.0% for employees in Q3.
- Yet if a vaccine mandate was implemented, 5% of HR personnel and employees would consider quitting.

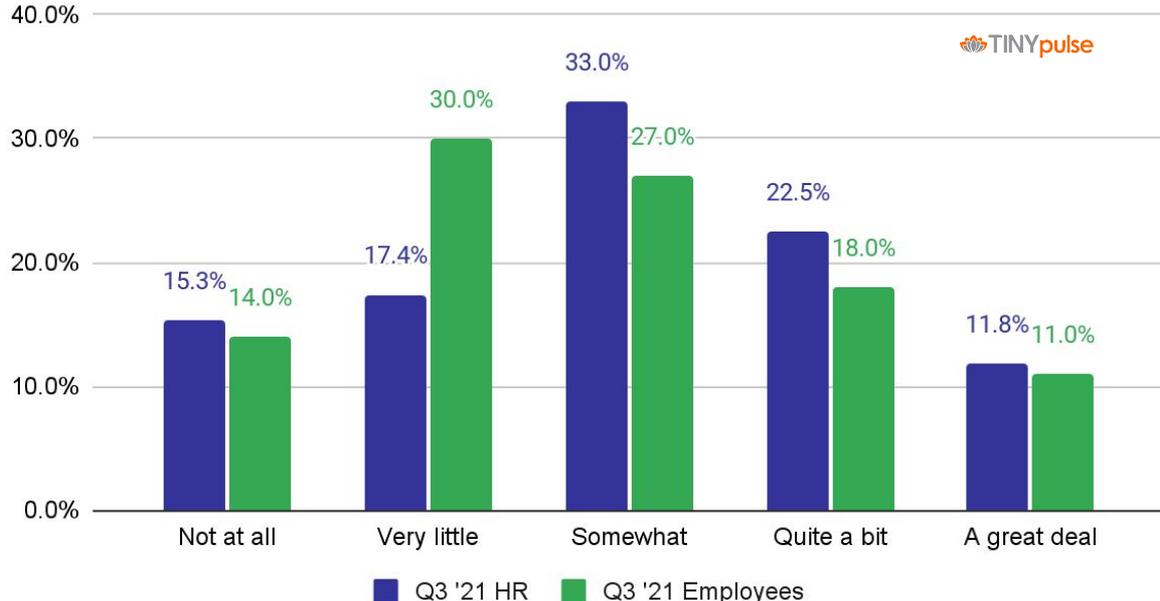
### HR and Employees: Reaction to Vaccine Policy



# More than 8 out of 10 HR/People Leaders and Employees report some level of concern around unvaccinated employees.

- HR leaders and employees are fairly matched in their levels of concern about being around unvaccinated employees.
- For HR, the highest reported concern level was “Somewhat” at 33.0%. For employees, the highest level was Very little at 30.0%
- The number of employees and HR feeling concerned supports the need for organizations to discuss vaccine policies.

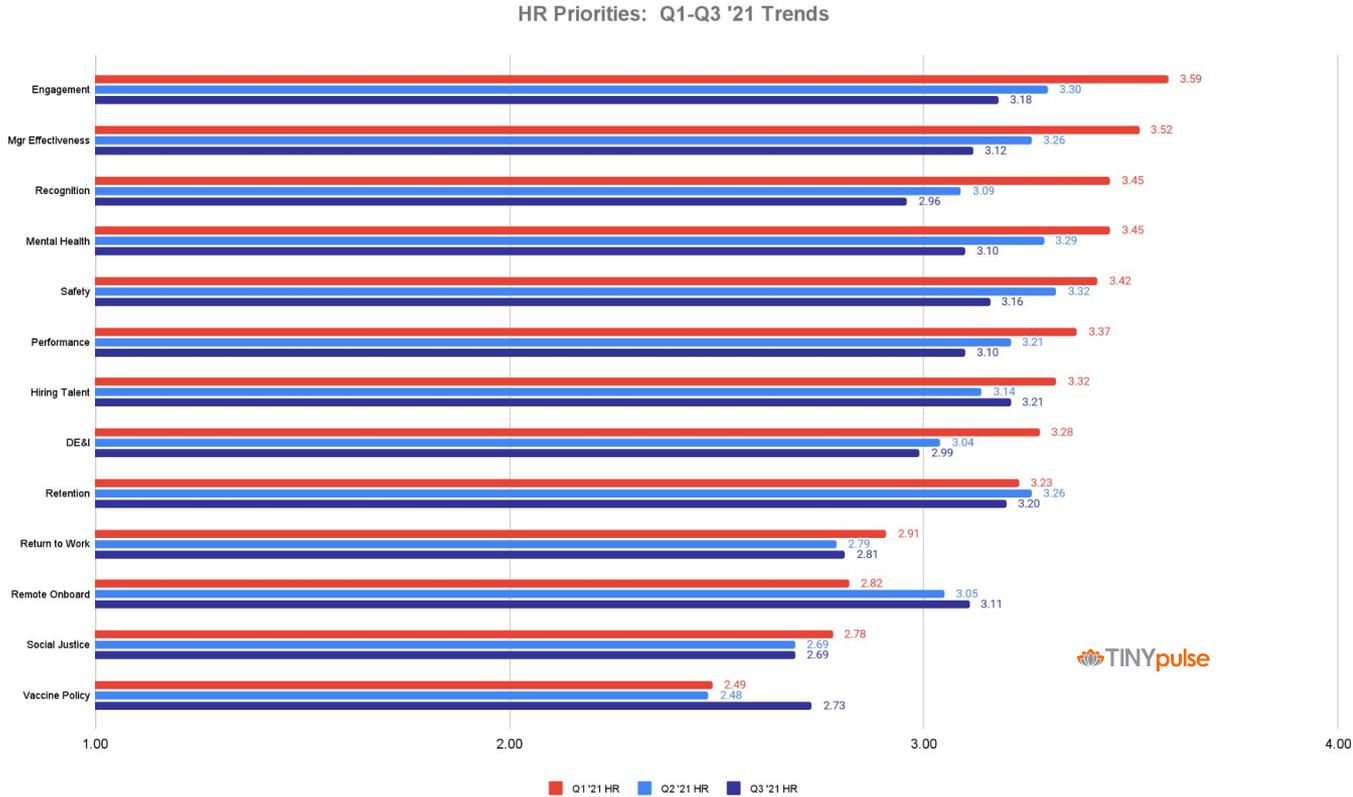
## Feeling Concerned Around Unvaccinated



# People, Priorities, and Turnover

Remote onboarding dramatically increased in priority level in Q2 and Q3 of 2021, and vaccine policy also jumped from Q2 to Q3. Everything else dropped in priority from Q1 to Q3.

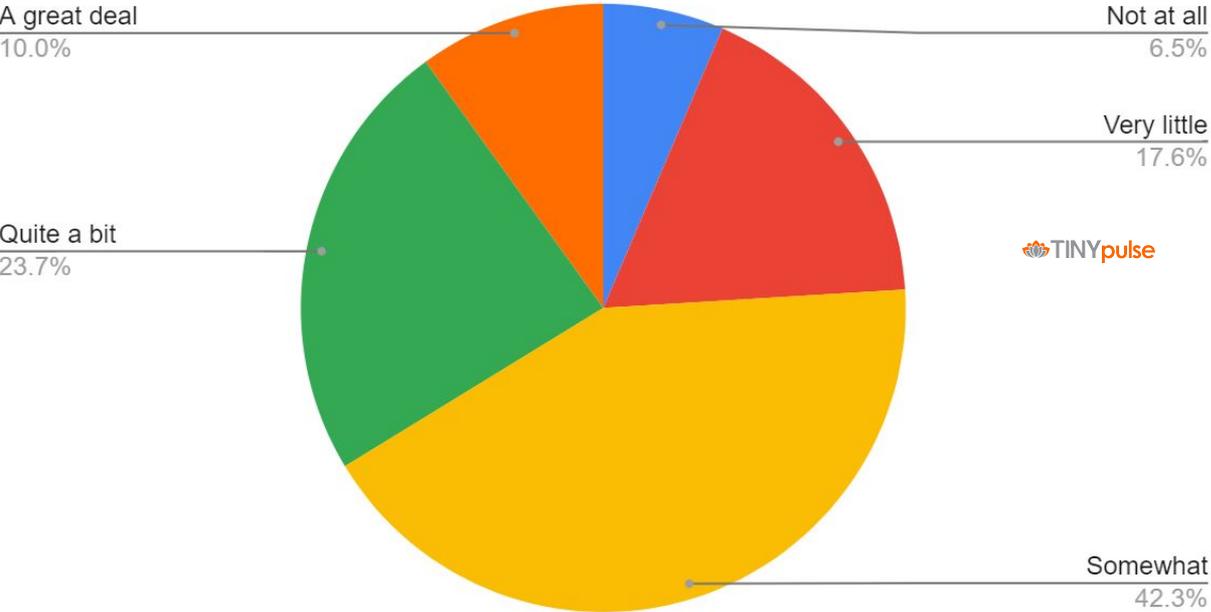
- Major drops in HR priorities from Q1 to Q3 include: Recognition, Engagement, Manager Effectiveness, and Mental Health.
- Basically, everything dropped from Q1 to Q3 except Vaccine Policy (10.1% increase from Q2) and Remote Onboarding (10.3% increase from Q1).



# 42.3% of HR/People Leaders believe that managers in their organization are somewhat equipped to handle workforce changes.

- Given all the changes, HR was not very confident that their managers were equipped to successfully handle workforce change. ‘A great deal’ was reported 10% of the time and Quite a bit at 23.7%.
- Yet ‘Not at all’, ‘Very little’, and ‘Somewhat’ totaled 66.4% totaled together.
- These results represent significant opportunities to level up training for managers.

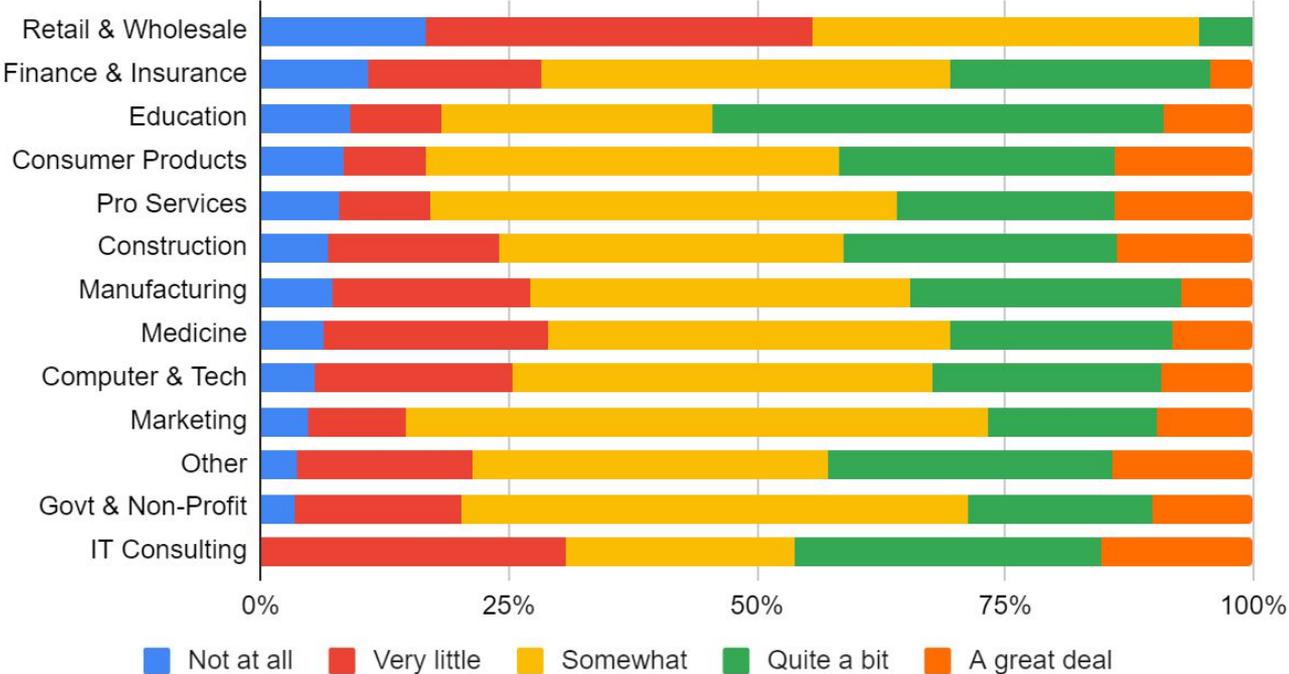
### To What Extent Do You Believe Managers In Your Organization are Equipped to Handle Workforce Changes?



# According to 55.6% of HR/People leaders in Retail and Wholesale managers are not at all or very little equipped to handle workforce changes.

- In fact, no Retail and Wholesale HR leaders (n = 18) rated their organization’s managers as ‘A great deal’ equipped to handle workforce changes.
- 54.5% of HR managers in Education view managers in their organization as ‘Quite a bit’ equipped or ‘A great deal’ equipped to handle workforce changes.

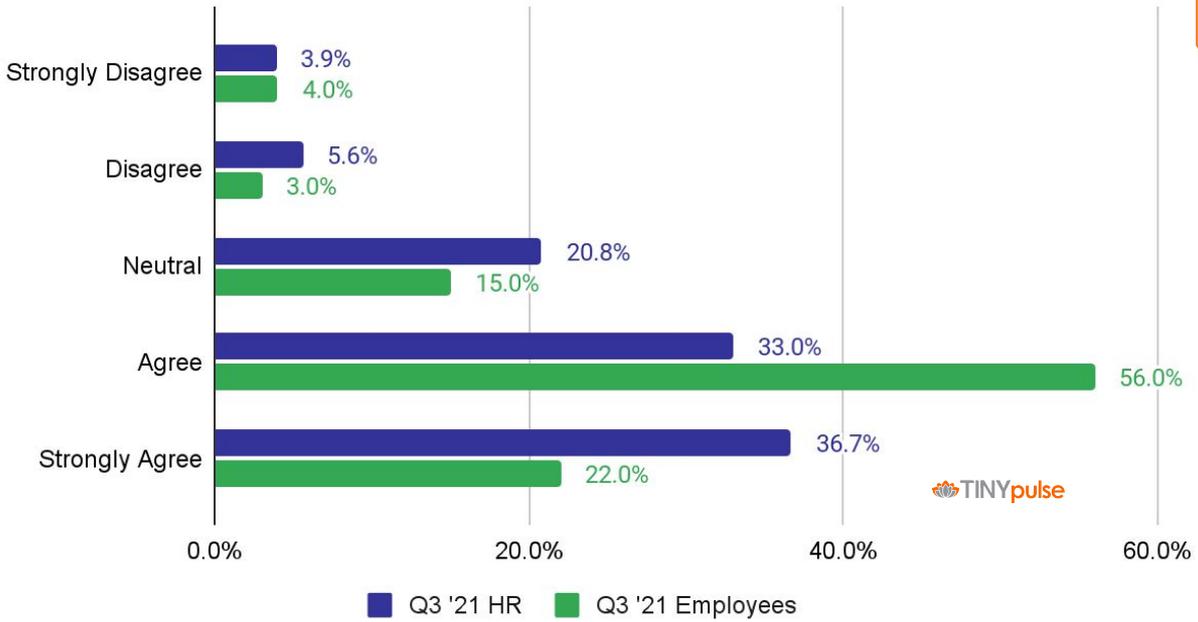
## Equipped Managers and Workforce Changes



# From a retention perspective, HR personnel are much more strongly committed than employees at 36.7% versus 22.0%.

- 56.0% of employees responded with Agree versus 33.0% for HR.
- Adding Strongly Agree with Agree, employees are slightly more committed than HR at 78.0% versus 69.7%.
- Percentages of HR/People leaders and employees strongly disagreeing were fairly equivalent.

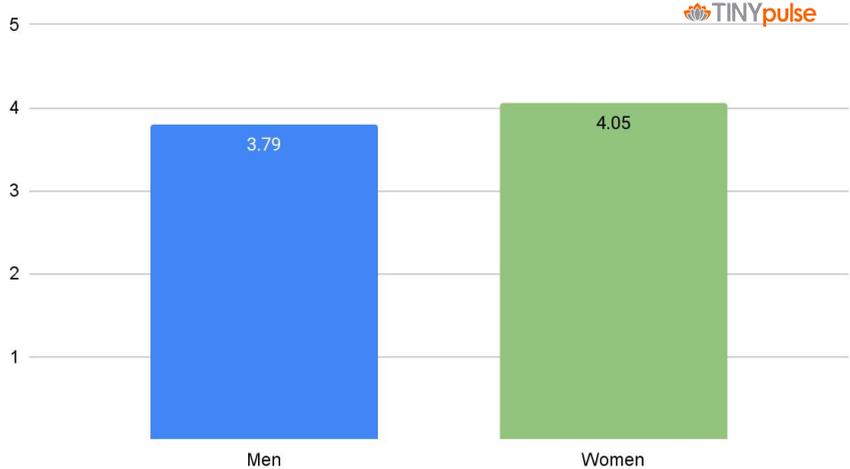
### I am likely to stay with this organization for the next year.



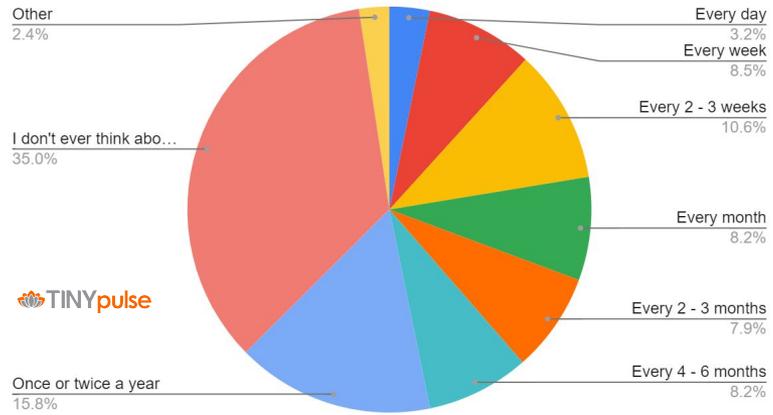
# Women in HR report higher organizational commitment compared to men. Overall the majority of HR leaders and employees don't ever think about quitting.

- Overall, gender differences in organizational commitment were small but significant.
- HR/People leaders had an overall average of 3.9 for organizational commitment.
- A majority of HR leaders (35.0%) don't ever think about quitting.
- A very small minority (3.2%) of HR leaders think about quitting everyday.

Q3 HR: Gender and Organizational Commitment



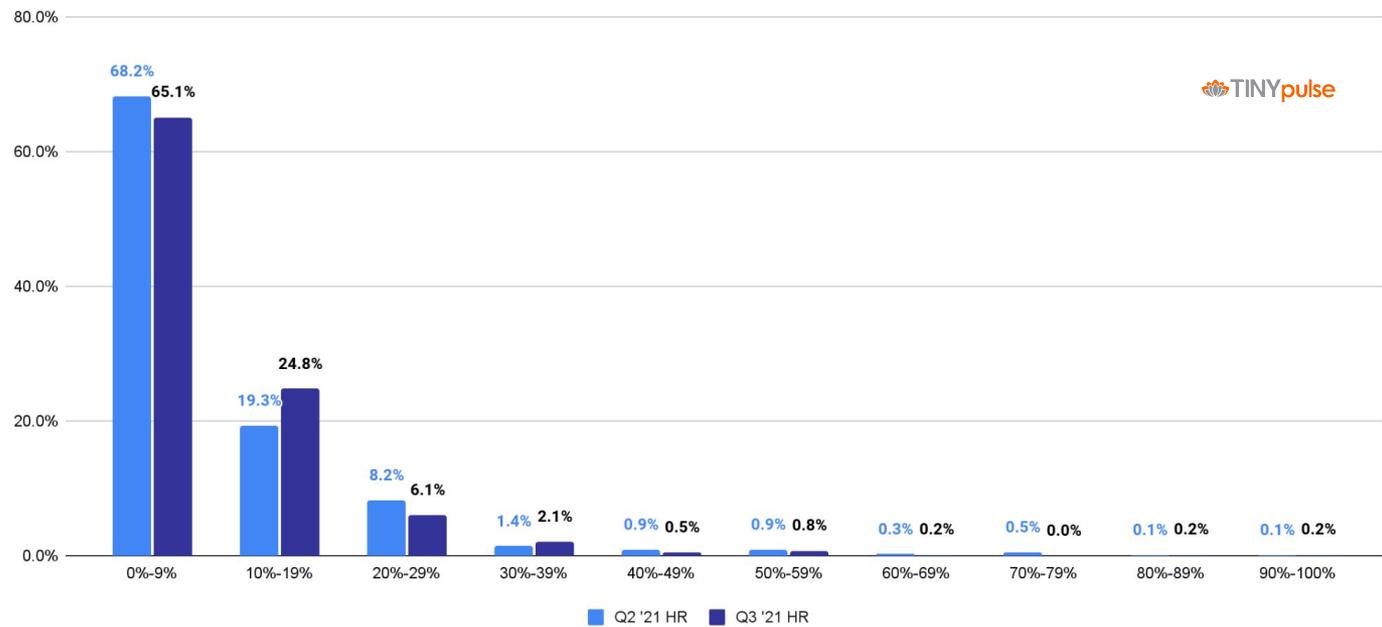
HR Thoughts About Quitting



# HR thinks that the “Great resignation” is overblown and predicts more of a turnover trickle rather than a turnover tsunami.

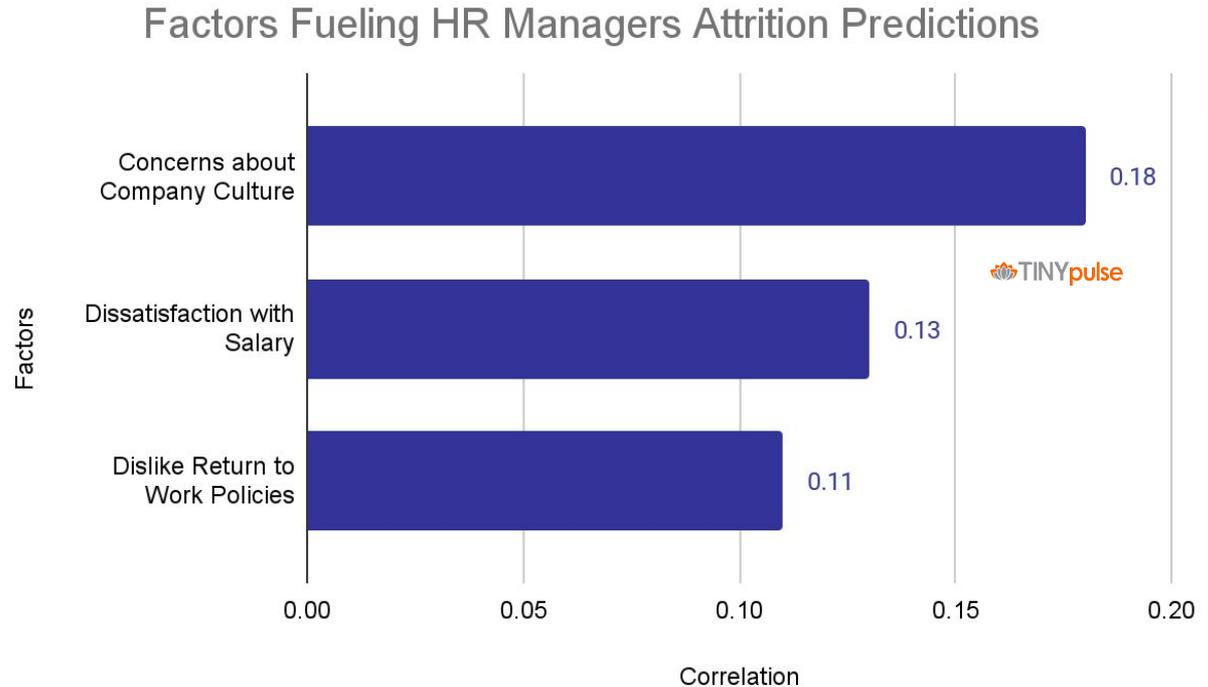
- Similar to Q2, 65.1% of HR/People leaders in Q3 predict less than 9% attrition.
- In Q3, roughly 10% of HR/People leaders predict attrition over 20.0%.
- Average turnover percentage prediction was 8.4% in Q2 and declined to 7.8% in Q3.

### Predicted Attrition After Pandemic



## HR leaders who reported that employees who had concerns about company culture also reported higher attrition predictions.

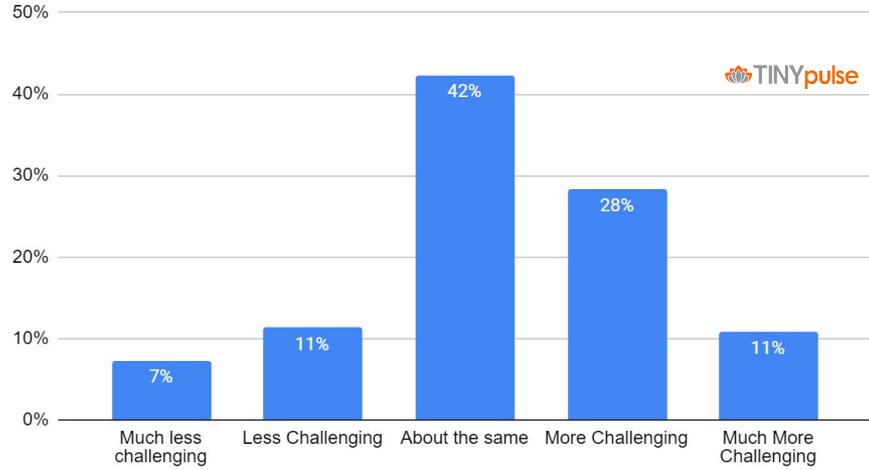
- Concerns about company culture ( $r = .18$ ) was the strongest predictor of HR leader's predicted attrition rates.
- According to HR/People Leaders: Burnout, issues with management, seeking better career opportunities, work-life balance issues, and lack of recognition were not significantly tied to their predictions of attrition.



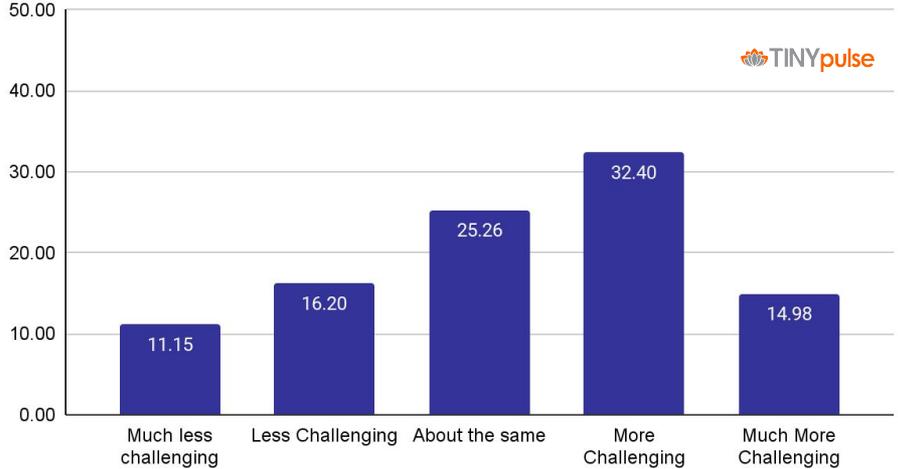
# In Q3, HR leaders are currently reporting that it is “More Challenging to Fill Open Roles” compared to before the pandemic.

- The most frequent response in Q3 was ‘More challenging’
- However, compared to Q2, responses to this question have become more dispersed between “more challenging” and “less challenging” responses, indicating that some HR leaders are having an easier time with hiring while others are finding it difficult to recruit talent.

Q2: How challenging is it to fill open roles?

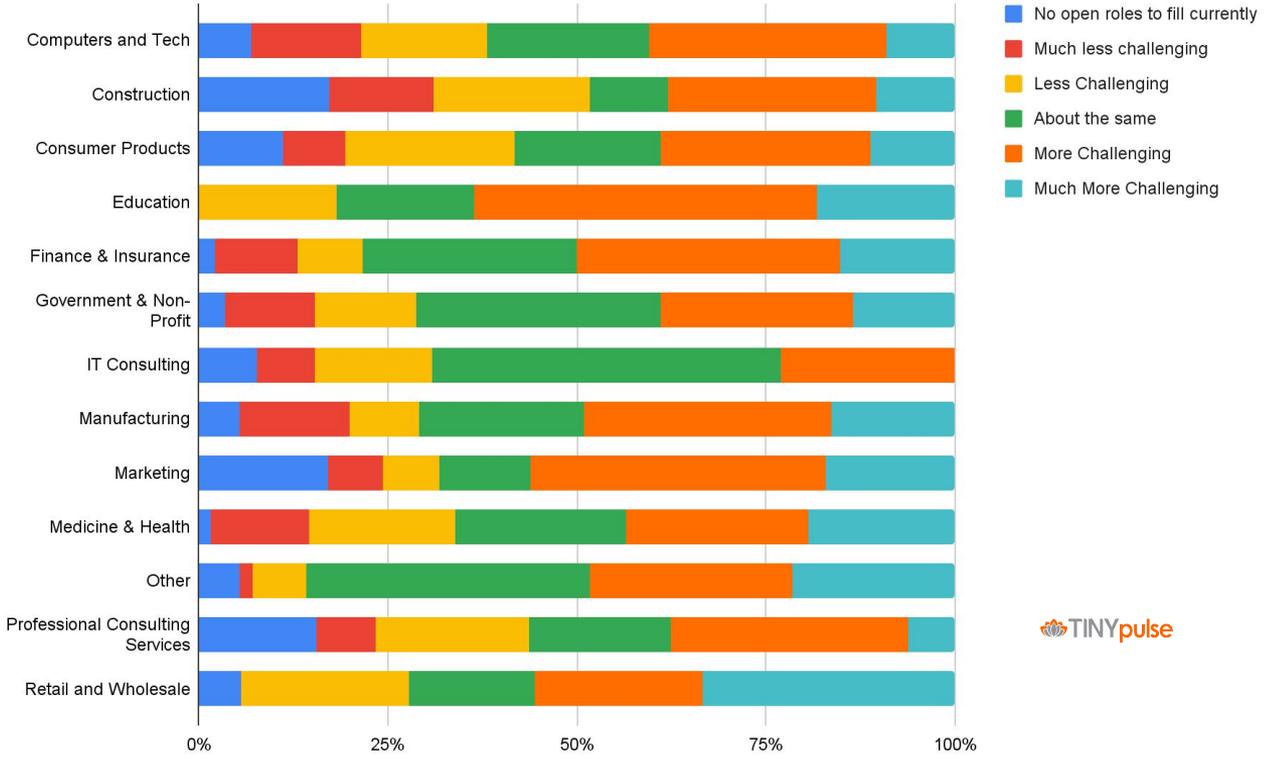


Q3: How hard is it to fill open roles?



# HR/People Leaders in Retail and wholesale indicated hiring new talent has become much more challenging than before the pandemic.

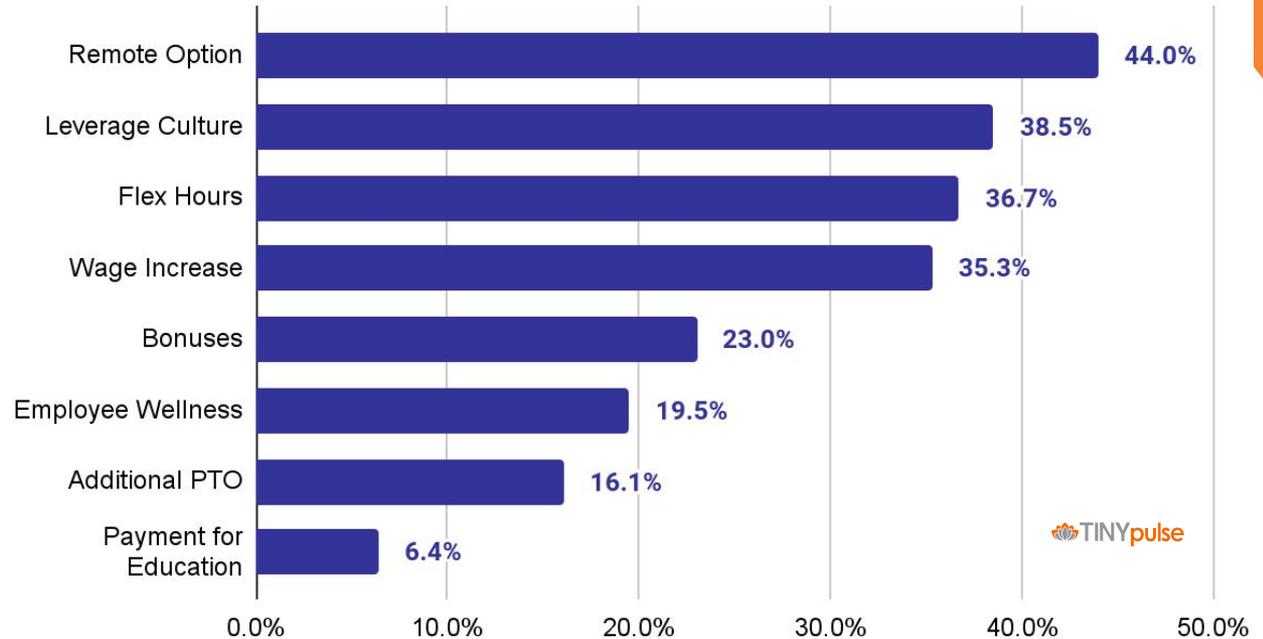
- According to HR leaders, the top 3 industries with the least difficulty when hiring new talent were Construction (34.5%), Medicine and Health (32.3%), and Computers and Tech (31.3%)
- Education (63.6%), Marketing (56.1%), Retail and Wholesale (55.6%), and Manufacturing (49.1%) HR/People leaders reported the most difficulty when seeking to hire new talent.



## In Q3, HR and People leaders reported remote option, leveraging culture, and flex hours as the top 3 most popular recruitment tactics.

- Notably, the top 3 tactics, remote option, leveraging culture, and flex hours are all free or low-cost recruitment tactics.
- These top 3 tactics highlight that if a company has a strong culture and can support remote and flex hours, then they're fully leveraging those advantages when recruiting.
- Payment for education was the reportedly the least utilized recruitment tactic with just 6.4% using this incentive.

### Q3 HR: Recruitment Tactics



# The majority of HR professionals do not plan to adjust remote employees salaries up or down.

- In fact, we saw a slight increase from 59.2% in Q2 to 61.8% in Q3 that responded that the pay would be similar despite location.
- Although we did see HR leaders more willing to adjust pay by location with a 25.9% increase from Q2 to Q3.
- From Q2 to Q3, we recorded a 45.4% drop in organizations that reported No Remote Workers.

## Pay Adjustment for Remote Employees

