

American employees strive to shape work environment



State of Work in America survey reveals how to engage talent

The American workplace was forever changed as companies scrambled to manage through the COVID-19 pandemic, and the resulting economic shutdown leading to talent volatility. What remains is a continued focus on how to attract, retain, develop, listen and respond to the needs of today's workforce and consider future business needs.

Responding to the need to assess and measure the rapid changes in workforce during this period, Grant Thornton conducted two State of Work in America surveys in [late 2021](#) and [early 2022](#).

Our findings in both surveys emphasized how fundamental expectations of the American workplace have changed. Employees increasingly felt empowered to shape their work environment and expect their companies to align with their life goals. The result was organizations creating new paths that support talent and signal a new world of work.

Grant Thornton now presents its most recent State of Work in America results, conducted in March 2023 with 5,000 American workers. The participants represented diverse industries, income levels, ages, genders, races and ethnicities. The 2023 survey shows worker attitudes have changed, likely due to how the national economic environment has affected them on a personal level.

What has changed since our last survey? Inflation has been the top economic concern, rising to a [peak in June 2022](#) of 9.1%, and remaining high as repeated cuts in the federal interest rates slow rolled. Those rate cuts indirectly contributed to recent bank failures, adding to concerns about an economic downturn and job losses.

And while job turnover has only [slightly slackened in the past year](#), there are signs that it is [nearing its end](#). While hybrid work situations are now ubiquitous, how employees wish to use this newfound flexibility is changing.

While there are reliable constants on what motivates employees to leave an organization, what convinces them to stay and what keeps them engaged are among the most notable findings this year:

- Mental health has emerged as a primary concern among employees and an issue employees expect their employers to address and support.
- Job security and benefits have risen in this survey to join pay and advancement opportunities as the main reasons people stay in their jobs.
- Employees still highly value hybrid work arrangements, but increasingly they are finding value coming into the office to work.
- Employees feel that 10% or more of their work should rightfully be done by others, leading to an increased dissatisfaction with organizational efficiencies and balance of work.



**Mental
health and
the importance
of well-being**

“Promoting employee wellness is not as simple as offering yoga sessions or access to an EAP program.”

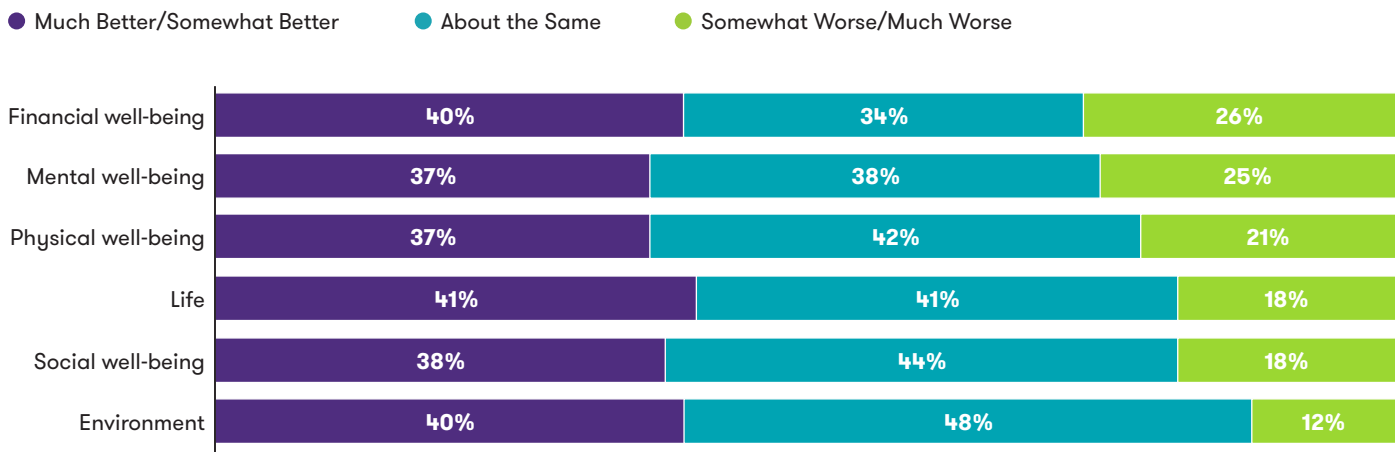
Margaret Belden, Director, People & Organization, Grant Thornton

“Mental and physical well-being concerns are permeating the executive agenda and are top of mind for employees,” said Angela Nalwa, Managing Director, People & Organization Practice Leader at Grant Thornton. “When an organization embraces a culture of well-being, it translates into employees performing at their highest level and achievement of business outcomes.”

Other notable findings in our survey include how positively employees rate work-life balance and workforce flexibility, as well as benefits and work environment factors which demonstrate a company’s concern about their mental health. When a company shows it cares about an employee’s well-being, they can instill loyalty among staff. This is likely why employee mental health counseling is becoming a more common component of employee benefit packages.

While “well-being” spans financial, social, mental, physical, life, and environmental, the survey indicates that financial and mental well-being were the two dimensions that have worsened in the past 12 months. When responding to what is causing burnout at work, mental health rises to the top, with more than 50% of respondents indicating mental/emotional stress as the top concern.

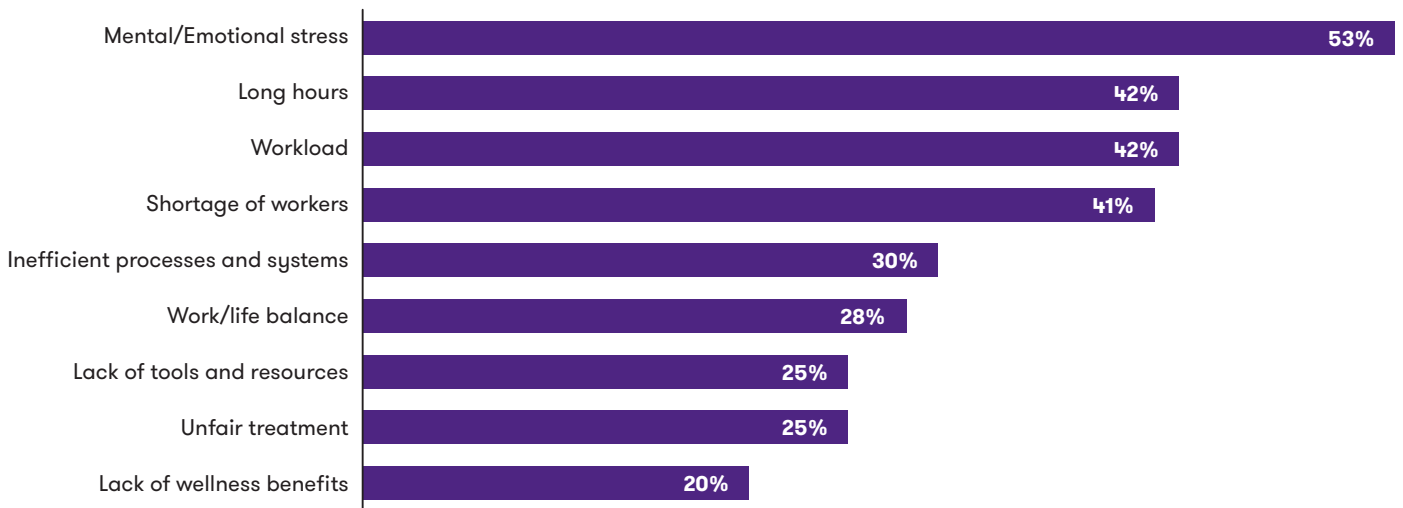
How has your well-being changed in the past 12 months?



“Promoting employee wellness is not as simple as offering yoga sessions or access to an EAP program,” said Margaret Belden, Grant Thornton Director, People & Organization. “It requires organizations to consider how employees experience their work and environment and how well they understand their experience. It starts by listening, talking about anxiety levels and considering how safe and comfortable employees feel in raising concerns. These are sensitive topics that require the right support and a psychologically safe environment.”

Companies should also consider addressing financial well-being issues—an employee’s overall state of anxiety related to their income, economic uncertainty, job security, and the continuous need to balance competing financial priorities. Offering services such as financial education programs, household budgeting, educational savings, and retirement planning can provide support to improve financial well-being.

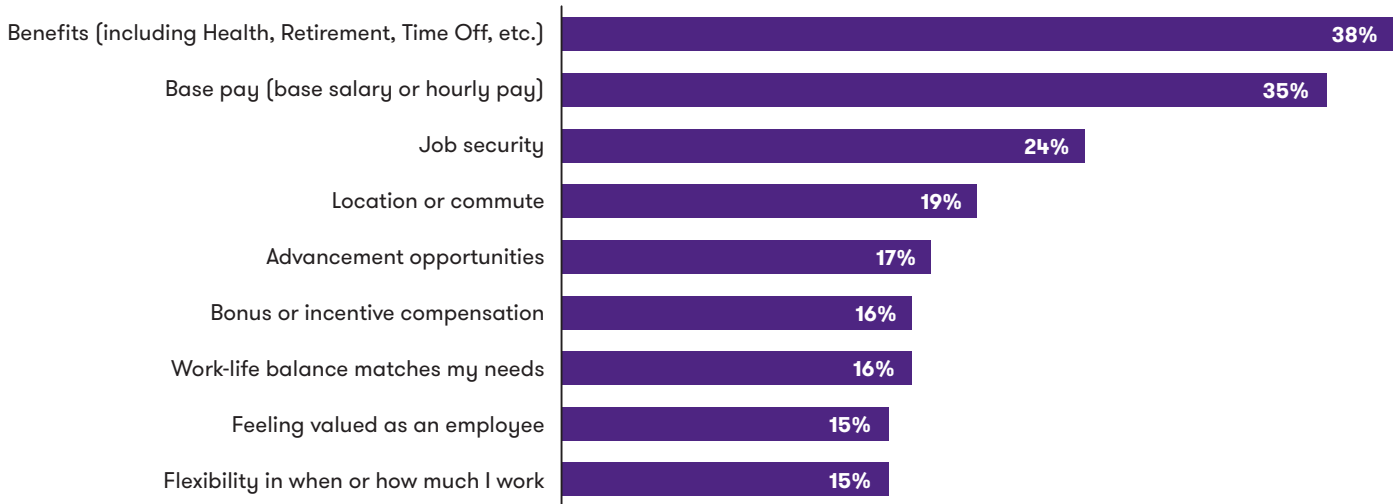
What contributed to your burnout at your job?





Reasons for staying, reasons for leaving

What's keeping you at your organization?



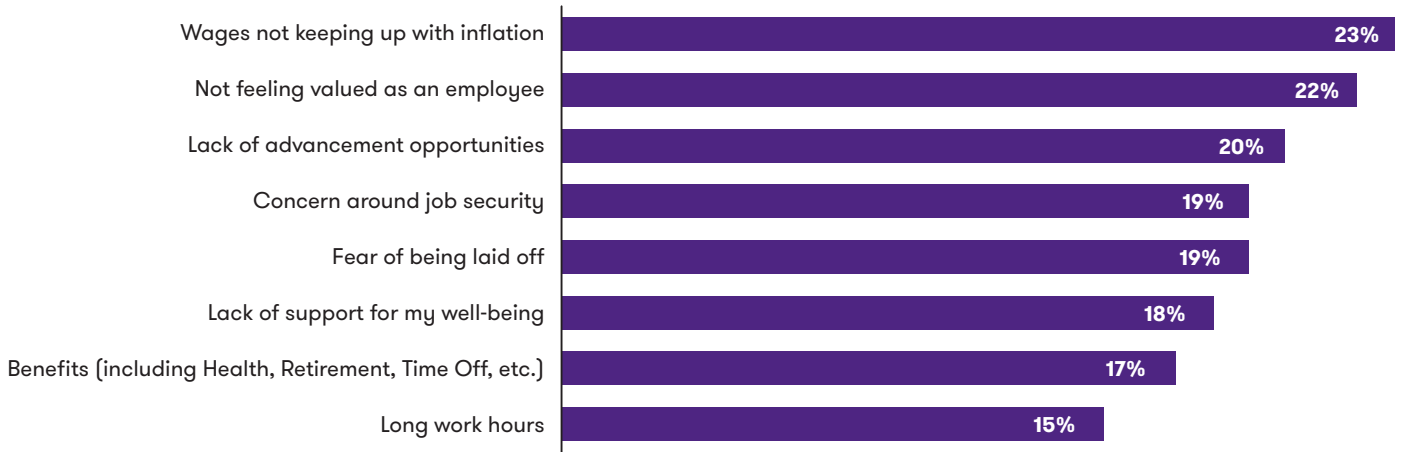
Acquiring and retaining talent continues to be a top priority for companies while significant employee turnover continues. What keeps employees at their organization? This year, 38% named benefits and 35% chose base pay as the reason. Our prior year's survey also had 35% of respondents citing base pay, but the predominance of benefits has risen to the top. Job security and location also rose significantly as a priority compared to previous surveys. Clearly, employee expectations have shifted toward wanting to feel secure at a company rather than use it as a springboard for advancement.

When employees cite reasons to leave an employer, what is striking about this year's data, compared to last year's, is the rise in employees not feeling valued, which jumped significantly. Concerns about base pay and advancement opportunities, while still high, were cited less frequently compared to last year's survey. So, a similar dynamic is playing out—employees expect more from a company than pay and opportunity, and they will leave if they feel their company does not value or appreciate them as “humans.”

“People shortages have resulted in employees doing multiple jobs, working longer hours, and not feeling valued for the extra effort.”

**Kim Jacoby, Director, People & Organization,
Grant Thornton**

What would cause you to leave your organization?



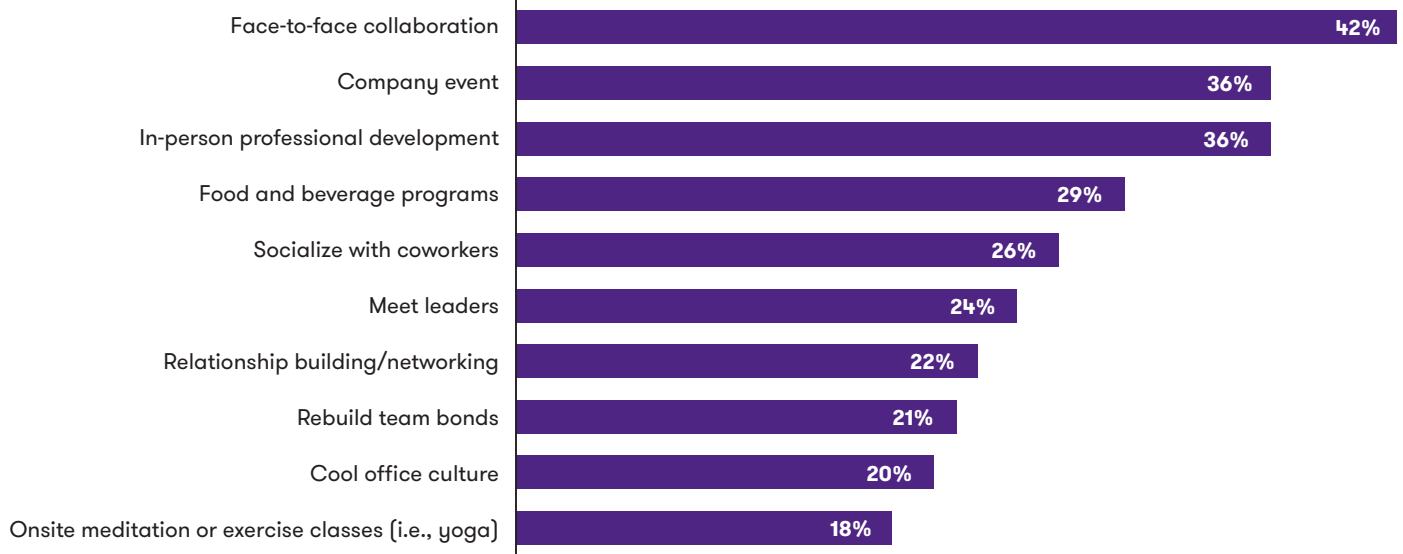
One factor that may be critical to forging a sense of “loss of value” for employees is the effect of job shortages. Taking on additional workload from either disengaged workers or vacant roles, people shortages is named by respondents as the top work stressor. “The people shortages have resulted in employees doing multiple jobs, working longer hours, and not feeling valued for the extra effort,” said Kim Jacoby, Director of People & Organization at Grant Thornton. Staff shortages and general overwork may be the result of a combination of low unemployment, recent layoffs and the lingering effects of the lingering effects of the post-pandemic job turnover. Companies that are having difficulty filling openings may be caught in a loop where their existing employees are increasingly disincentivized by the position losses, making them consider other jobs and then leaving more vacancies to fill.

And why not find another job if you can? Our survey found that those who took a new position in another company were generally rewarded for their efforts, with 78% of these employees receiving a significant pay boost. Some attrition is expected; so, while some leave for more money, incumbents who are critical to the organization’s success and who are taking on increased workloads should be reviewed to ensure their compensation and opportunity is aligned with their efforts.



**Hybrid
working — a
new normal or
in transition?**

What activities and/or events would entice you to go to the office?



Four years ago, asking employees how many days they prefer to work in-office would be pointless as there was little expectation that choice would be possible—and for many industries, it still isn't. Still, the "creation" of hybrid work arrangements has arguably been the most important change in the work environment since the commonplace use of computers. Coming out of the COVID-19 pandemic period, many employees found that their ability to work from home was their preferred work location, even after returning to the office no longer presented a health threat.

Last year, a quarter of respondents said they didn't want to work in the office at all if given a choice. The rest were split between working only one to two days a week and others wanting more or less a full return to on-site working. Not surprisingly, this year's figures see a trend toward more office work. Those wanting to work completely at home fell to 16%, with those wanting to work one to two days a week representing only another 15%. More than half prefer to work four to five days a week, up from 33% last year.

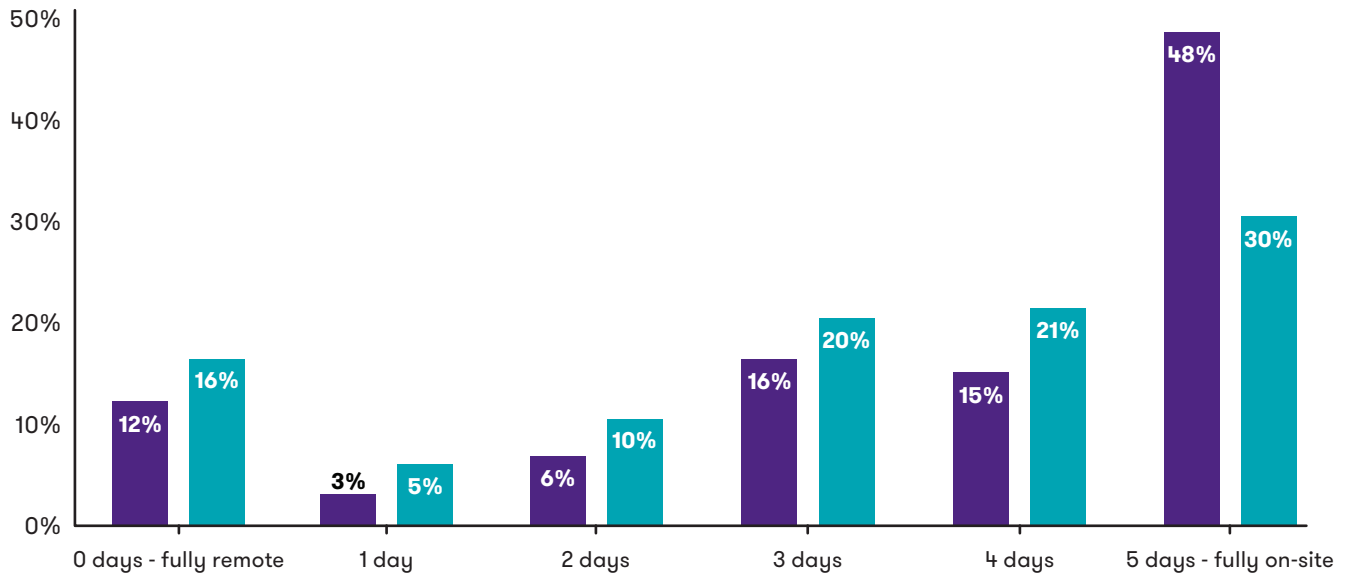
When asked about the attraction of in-office work, employees were pretty clear that face-to-face peer interaction, company events, and professional development were most important. The desire to come into the office to work was directly tied to its benefit of fostering working relationships and improving job performance. Employees are starting to see the benefit of coming in, even for their own emotional well-being, to be better connected to their colleagues and leaders.

Belden said the workforce is still in transition—they want flexibility to work when and where they want, but also are being attracted to the modernized opportunities organizations are creating in the office space. Research has shown this attitude is particularly true of younger workers, who value face-to-face business contacts and professional development opportunities. Our survey results indicate that nearly two-thirds of Generation Z employees prefer to work in the office four to five days a week.

Ideal number of days to work on-site over a one-week period

(Employer Preference vs. Employee Preference)

● Employer Preference ● Employee Preference



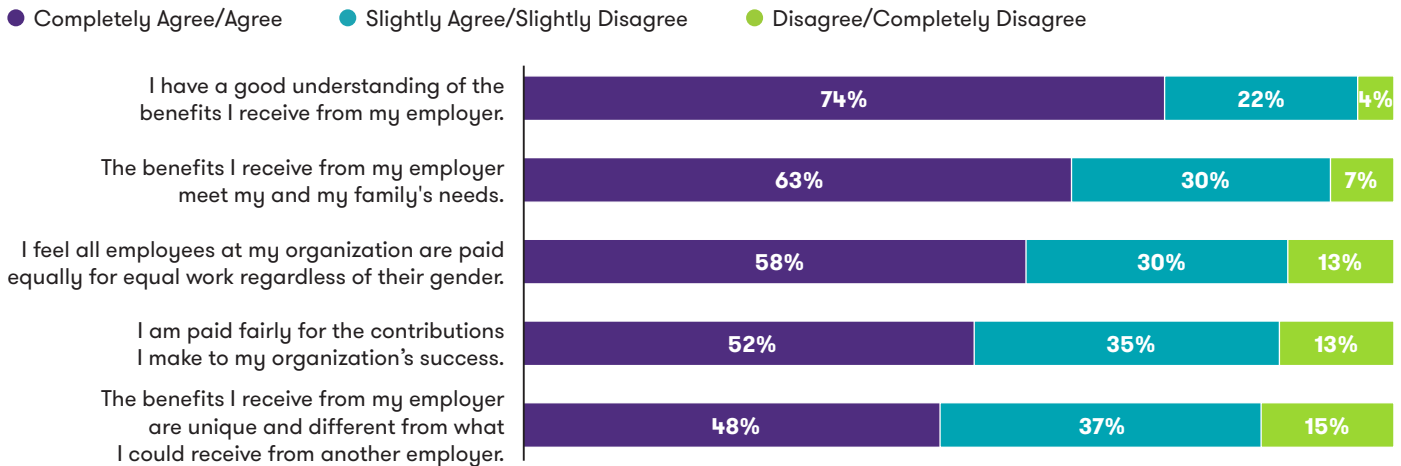
However, as much as there is an increase in desire to return to in-office work, our survey indicates the desired number of days in the office still lags behind the amount of in-office time leaders want them there. A significant majority of employees said they want flexibility in where and when they conduct their work. When asked to pinpoint where that flexibility should happen, they were also clear. Employees want flexible start and stop times, fewer days with longer hours and to be able to choose when and where to work. Workers are more willing to come in, but on their terms.

Part of that resistance may be related to an employees' distance between their homes and their place of work. Belden said that during the pandemic, one of the advantages of remote work was that living near an office wasn't nearly as important and hiring people who lived two to three hours away was common. In fact, this situation opened up talent sourcing channels during challenging hiring cycles. In an environment where the pressure to return to work is both individual- and management-driven, many companies have to rethink their recruiting strategy. This is particularly true given how high employees now rate "location of office" as a reason to stay with their company.

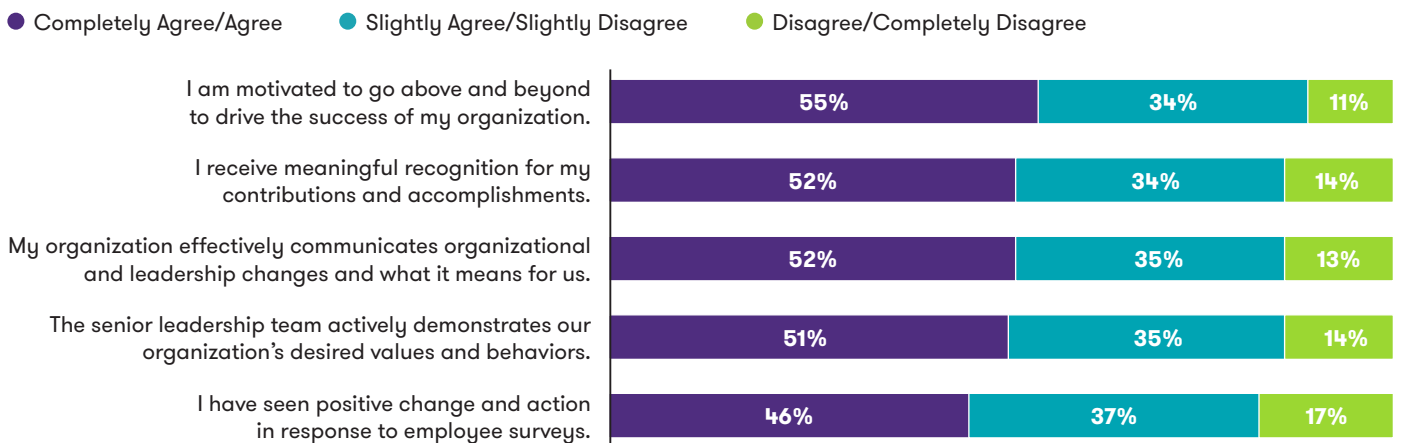


**Feeling better
about work**

Statements about the value of benefits



Statements about the value of opportunities



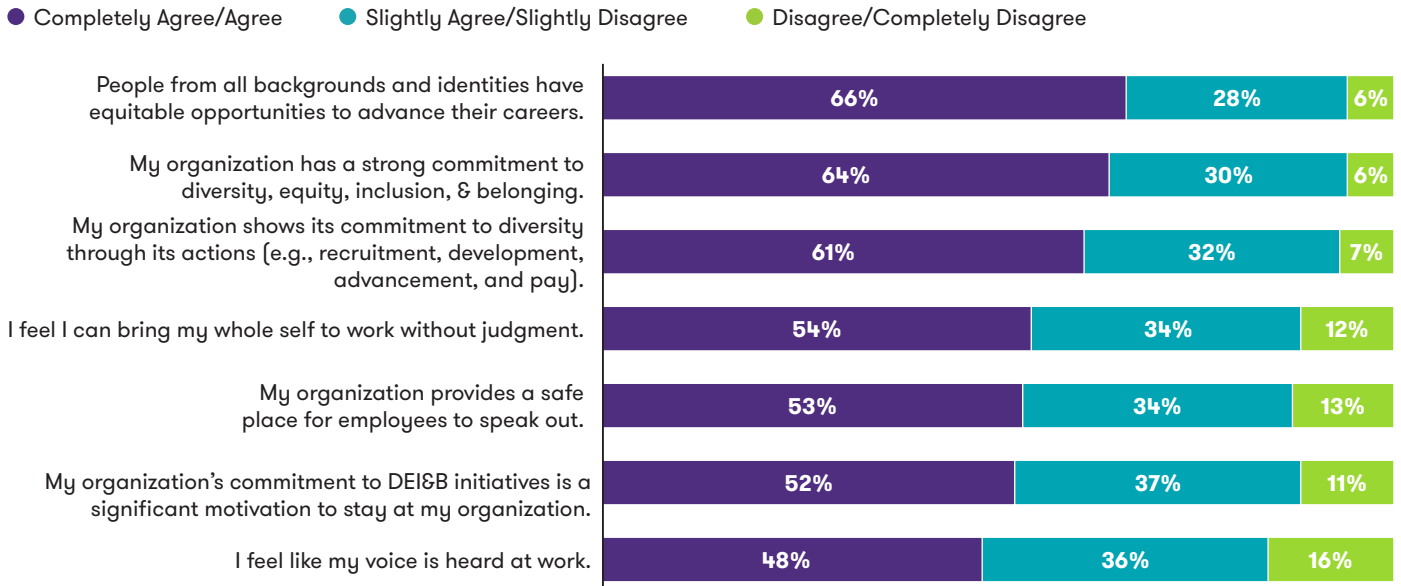
Since benefits are the top reason employees stay at a company, it's instructive to examine what they like about benefits. Employees seem to be well-informed about what those benefits are (74%), but the numbers drop when employees respond about how meaningful these benefits are. Fewer than half see their benefits as unique and different from what another employer would provide.

Jacoby said companies should view this last data point both with caution and with a sense of opportunity, as tailoring a total rewards package that stands out from competitors' offerings could be a differentiator in attracting and retaining talent. While employees may assume healthcare insurance is about the same between companies, or at least difficult to easily judge, other more individual benefits like gym memberships, lifestyle accounts or a focus on mental health counseling can make a company more attractive.

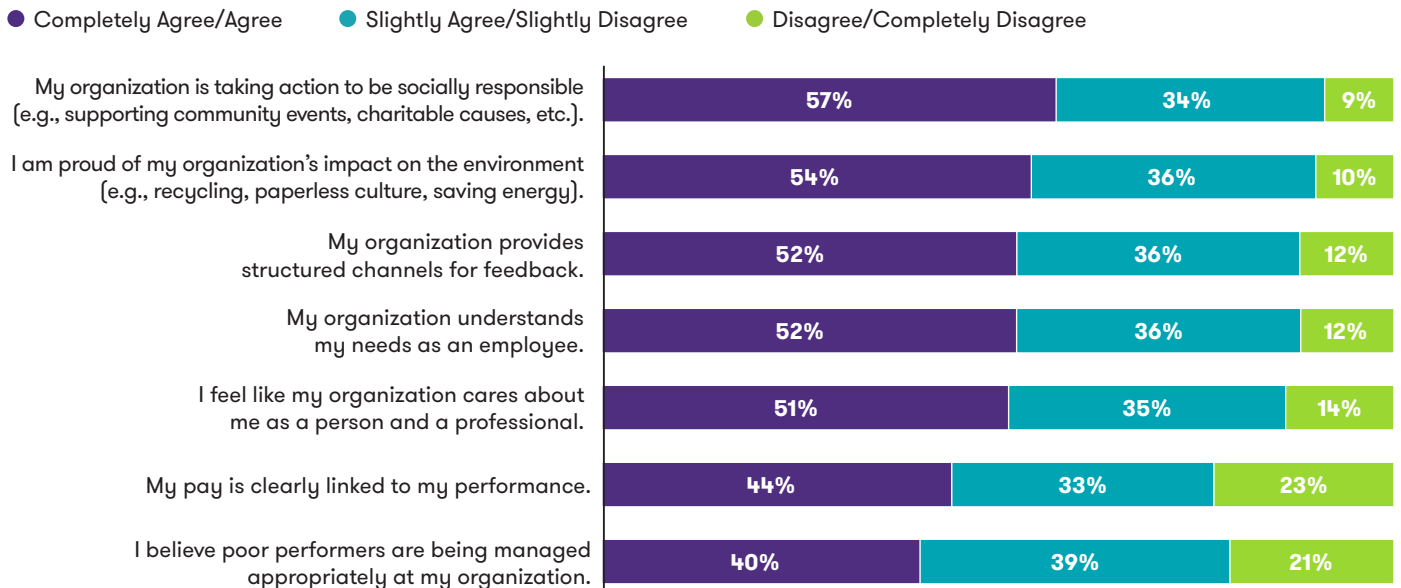
"As workplace wellness becomes more prevalent, offering wellness activities such as recipe sharing or walking competitions, can be a low-cost option to boost morale and enhance the employee experience," Jacoby said. "Organizations don't necessarily have to spend a significant amount of money changing their medical plan or increasing their 401(k) match to increase employee engagement."

Sometimes, it's just a matter of listening and responding. Only 46% of survey respondents said they have seen positive change and action in response to employee surveys. While some employers are responsive, many don't communicate survey results or tie them back to actions and ideas being explored and implemented to address the feedback.

Statements about diversity, equity, inclusion & sense of belonging at work



Statements about work environment



While individual situations differ, an aggregate of how workers view their workplaces is a way to spot harbingers of more widespread workplace issues. While 66% responded favorably to the statement “People from all backgrounds and identities have equitable opportunities to advance their careers,” other statements such as, “I feel like my organization cares about me as a person and a professional” and “I feel like my voice is heard at work” were viewed less favorably. This is of particular concern given the importance employees are putting on feeling valued.

Most organizations focus on diversity, equity and inclusion from the vantage point of actions and efforts they are taking to support it. Fostering a sense of belonging requires organizations to consider how the employee feels and how they receive and experience the culture. Do they feel heard, listened to and connected to the people, the mission and the values? Do they feel supported if they make a mistake, and are they celebrated for their successes? As more individuals with unique abilities and preferences find their voice, organizations need to seize the opportunity to promote, foster and maintain a sense of true belonging among their employees.



Conclusion

This article has explored many of the issues that may be contributing to worker unease, inflation, worker shortages, and the attraction of outside opportunities. Identifying these issues within a company should be the foundation of any actions taken to address them. That said, the survey findings lead naturally to key conclusions that should help improve employee engagement at most companies, such as:

- 1 Employee well-being is a top concern and needs to be addressed beyond programs.
- 2 Reduce distractions to provide an oasis from technological disruption.
- 3 Analyze output and expectations to eliminate unnecessary work.
- 4 Demonstrate interest in employees' personal lives by listening.
- 5 Lead by showing your commitment to improving the lives of your employees.
- 6 Recognize how hybrid work has blurred home and work boundaries and offer relief.
- 7 Address the issues that permeate your organization—evaluate and adjust in real time.

Above all, Jacoby adds, leaders need to take positive action to make their organizations responsive to their employees by addressing their personal as well as professional needs. Today's leaders must possess empathy, compassion and understanding to support a highly engaged workforce fueled by mutual loyalty.

Hybrid work has blurred the lines between the personal and the professional spheres. There is no real separation of work life from home life anymore, and one consequence is that companies must support employees' life challenges and priorities. Companies that can find this balance—to help employees holistically without becoming an intrusion—can reap the benefits.

“When an organization embraces a culture of well-being, it translates into employees performing at their highest level and achievement of business outcomes.”

**Angela Nalwa, Managing Director,
People & Organization Practice Leader**

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