Navigating the great workforce balancing act

dayforce

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Methodology

Hanover Research conducted Dayforce's *14th Annual Pulse of Talent* research study online from August 16 to September 7, 2023. The study included 8,751 respondents aged 18+ who work at companies with at least 100 employees across Australia, Canada, Germany, Malaysia, New Zealand, Singapore, the United Kingdom, and the United States.

A note from our leadership

Today's employers are caught in a balancing act - walking a fine line between **agility and stability, productivity and flexibility, and efficiency and empathy.**

We know from conversations with Dayforce customers and our own experiences that finding this ideal balance is a significant challenge for organizations. That's why we made it the focus of our *14th Annual Pulse of Talent* survey of 8,751 workers from around the globe.

What we discovered is that many employees feel their employer's priorities are tipping too far out of balance, focusing on driving the business forward without considering employee needs. And that perceived imbalance has the potential to upend organizational performance.

Leaders may not even be aware of the impact – starting with burnout. The World Health Organization defines burnout as a syndrome resulting from chronic workplace stress that includes loss of energy, increased distance from or negative feelings about one's job, and reduced professional efficacy.

Our data shows that 81% of our respondents' report experiencing symptoms of burnout – a level that has been essentially the same for three years running. This is possibly because only 42% of the workers we surveyed agree their employer has a good understanding of their level of burnout symptoms.

Business and employee needs can feel like competing priorities against a backdrop of change and uncertainty. But we can hold both in balance with the right strategy in place, as our research shows.

Today's employers face a once-in-a-generation moment to shape the world of work. But their success will depend heavily on how they navigate today's balancing act. Organizations that set the pace will focus on key activities that help build trust, inspire loyalty, and drive high performance. We hope the data and insights in this report will help your organization become a pacesetter and make work life better.

Katie Meyers

VP of Global Talent Management and Development, Dayforce

Agility vs. stability

Change and innovation are central to the workforce experience today. But many of these changes have negative impacts that employers and employees can mitigate together to benefit both sides.

Productivity vs. flexibility

Today's productivity push is adding to employee burnout and stress, but employers can give their workers more resources to help boost their performance in a more positive way.

Efficiency vs. empathy

Distrust is widespread in many organizations. Our findings show actionable ways leaders can restore trust while increasing efficiency and performance by showing more empathy.

Agility vs. stability

Change is rampant in today's organizations, and it plays a big role in the workforce balancing act. Eighty-one percent of *Pulse of Talent* respondents said their employer made organizational changes in the last year.

Employees aren't just accepting these changes and the stress that often comes with them. They're looking to make changes of their own. Despite growing uncertainty in the job market, our research found that flight risk remains essentially flat from last year's survey at 69%.

Turnover risk is even higher for younger workers, at 76% for 18-24-year-olds and 77% for 25-34-year-olds – perhaps reflecting their lower tolerance for job dissatisfaction amid so much change.
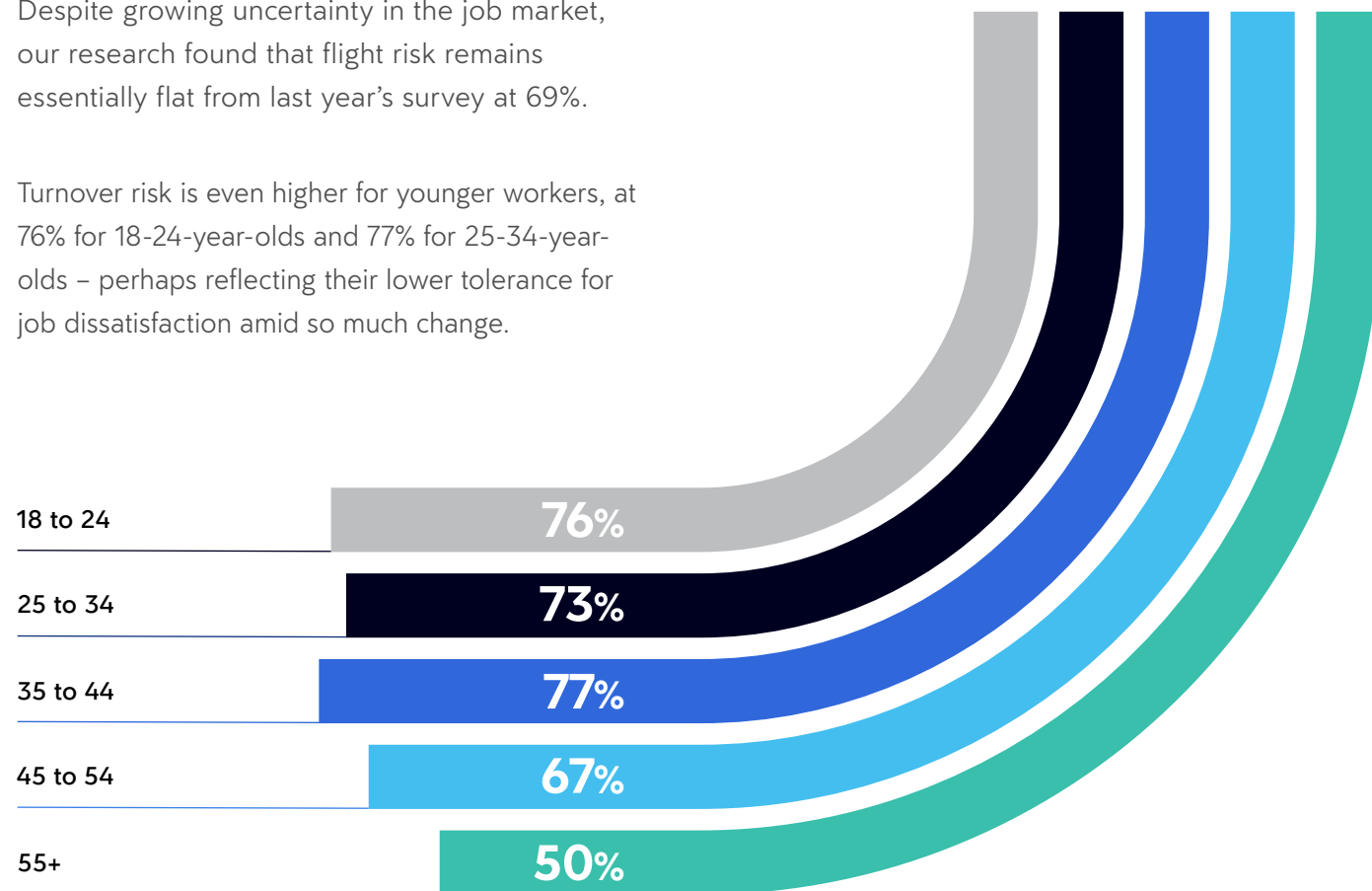
69%
of respondents are a flight risk

Are you currently seeking a new job?

("Yes" and "No, but I would consider it if the right opportunity came along" responses shown.)

Age	Percentage
18 to 24	76%
25 to 34	73%
35 to 44	77%
45 to 54	67%
55+	50%

We have seen big changes in employee expectations with more demand for higher wages, extra incentives, career pathing, transparency, and access to mental health resources. People don't want to just be a number at work. They want a personal, human touch – and not getting that can have a negative impact on their performance.

Brandie Streiff
Senior Director of HR Services, SunOpta

The challenge of change

Effective communication can make or break employee satisfaction and change management initiatives. But only 42% of our survey respondents said their employer is either good or excellent at communicating change to employees.

And leaders may be overestimating the effectiveness of their change communications. Director-level and higher respondents were more likely to give this question good or excellent ratings (56%) than non-director respondents (40%).

Employee communication is essential for bringing organizations and their employees into alignment. While comprehensive employee communication may seem like a time-consuming endeavor, it can be streamlined with worthwhile investments in the right tools.

Employees should have quick access to answers, news, and information when it's needed most. They can be more productive when they have timely and relevant communications all in one place and on their preferred device.

The power of AI

Notably, workers don't perceive all change as negative. Our survey data showed that 85% of respondents approved of upgrading technology, the highest among the changes we asked about.

This is underscored by 69% of respondents saying these new tech investments increased their productivity in the past year and 39% reporting it decreased their stress. And our findings show that innovative technologies have even more potential.

Survey respondents provided a glimpse into the possibilities of today's most talked-about technology – AI. Our findings show that workers think it has great potential in the workplace: Half (50%) of the workers we surveyed think AI can improve their productivity at work.

But many employees are hesitant to use AI in their role. In the past year, the majority said they haven't used generative AI to support them in their work, and few respondents that have not used generative AI said they plan to use such tools in the next year.
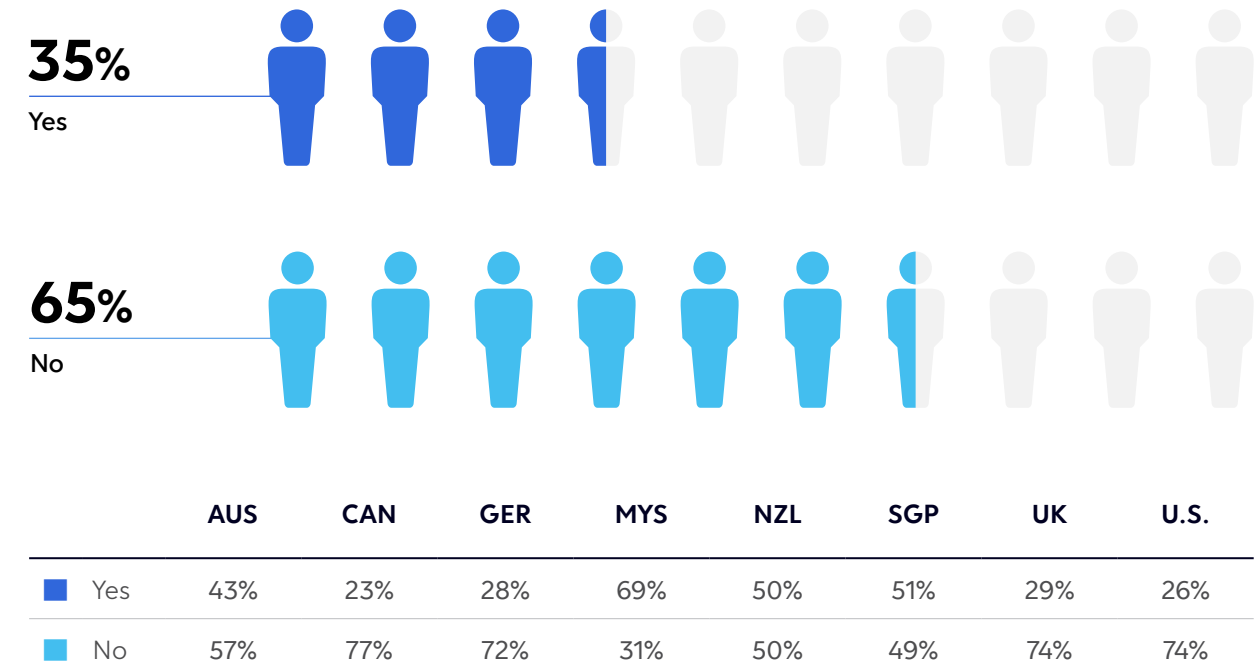
AI adoption also varies globally. Respondents in Canada, the UK, and the U.S. were most likely to say they haven't used generative AI for work in the past year, while Malaysia and Singapore had a lower percentage of workers who said they hadn't used it.

85%
of respondents approved of their employer upgrading technology

69%
said new tech investments increased their productivity

39%
said technology upgrades decreased their stress

Have you used generative AI tools, such as ChatGPT, to support you in your work in the past six months?

35%
Yes

65%
No

	AUS	CAN	GER	MYS	NZL	SGP	UK	U.S.
Yes	43%	23%	28%	69%	50%	51%	29%	26%
No	57%	77%	72%	31%	50%	49%	74%	74%

Amid this hesitation, we see that employees are curious about how generative AI can improve their efficiency. Among those that have used AI, the top reasons for doing so were to get quick answers to questions, to save time on low-value tasks, and curiosity about the tool.

Why did you use generative AI to support your work?

(Select all that apply.)

47%
To get quick answers to questions

45%
To save time on low-value tasks

38%
Curiosity about the tool

37%
To inspire creativity/get new ideas

36%
To learn about a new topic

35%
To grow my skills

24%
To avoid doing work I don't enjoy
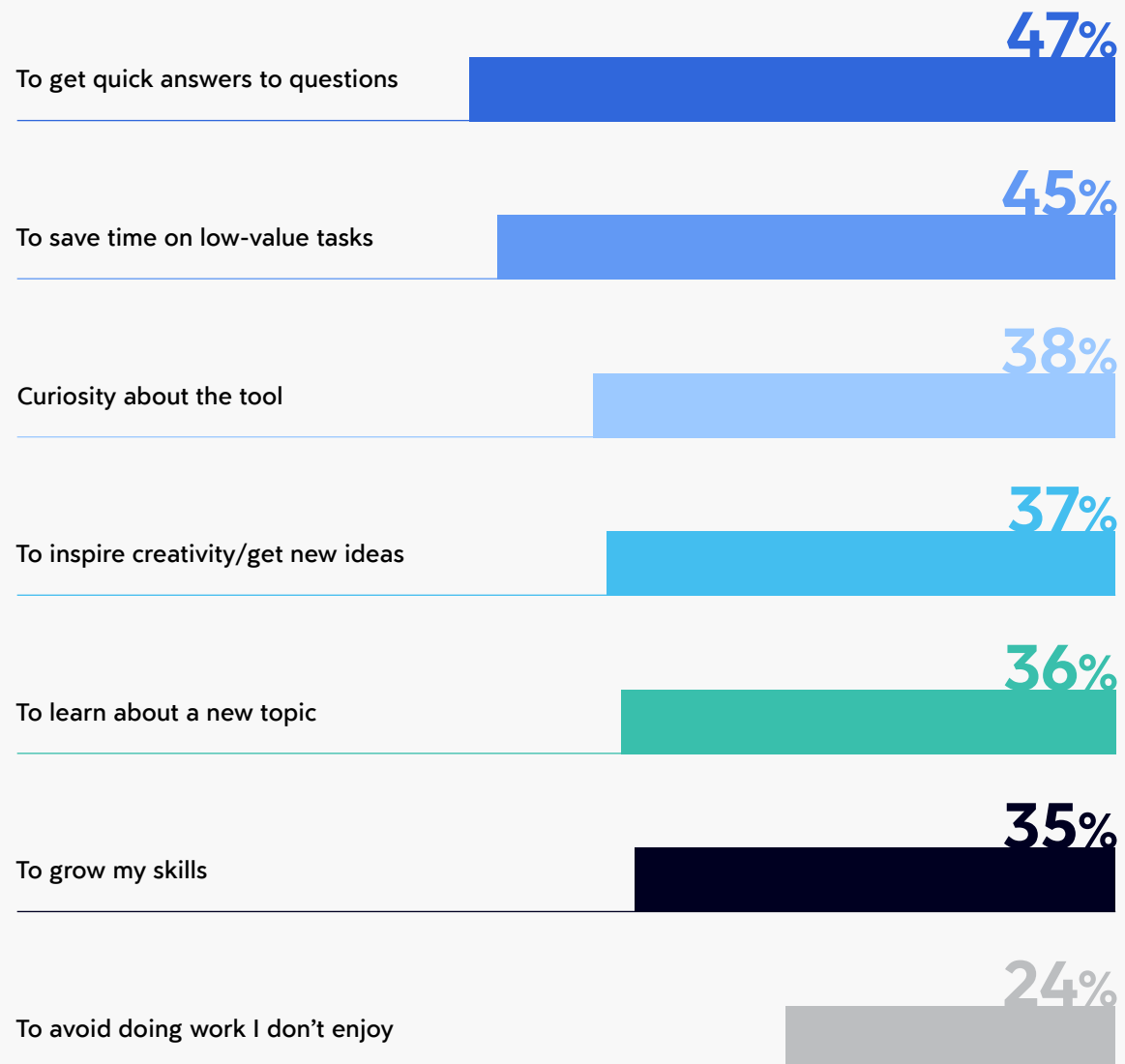
But the benefits of AI aren't limited to ChatGPT and similar tools. Building automation across your business can help employees simplify and streamline repetitive tasks to refocus the whole workforce on the most important and meaningful work.

Organizations should consider technologies built on a foundation of trustworthy and ethical AI to help build efficiency across the entire employee lifecycle, from hiring to performance reviews to information access. One particularly interesting application is career development: 80% percent of our survey respondents are at least slightly interested in their employer using AI to recommend new internal career and skills development opportunities to employees.

80%

are interested in their employer using AI to recommend internal development opportunities

Productivity vs. flexibility

Today's push for increased organizational progress often trickles down to employees in the form of more ambitious performance goals. While employers may expect better results through these goals, the opposite can often be true.

Our research shows that among respondents whose organizations have implemented more aggressive performance goals, 70% said this increased their stress levels. This stress can undermine productivity, performance, and retention. A 2023 *GymPass* global study of 5,000 employees found that 95% of workers say their emotional wellness impacts their productivity.

And when respondents didn't reach their performance goals, nearly half lost motivation and more than one-third considered leaving the company.

This creates an interesting contradiction: Employers' efforts to drive higher performance and productivity through more aggressive goals may backfire in subtle ways that cut into the profits they hoped to increase in the first place. Case in point, *Gallup* estimates that disengaged employees cost the world $8.8 trillion in lost productivity.

How has not achieving your performance goals in the past year impacted you?

(Select all that apply.)

51%	Increased my levels of stress
43%	Lowered my motivation
37%	Increased my desire to find a new job
33%	Lowered my productivity
33%	Lowered my trust in leadership
30%	Lowered my trust in my manager
26%	Drove me to find solutions to challenges
18%	Increased my motivation
3%	It had no impact

> Work is always getting more complicated. To keep up, we need to have people always ready, willing, and able to step up to the challenges. Being an international company adds a layer of complexity. We have to ensure that all our employees have the ability to grow to their full potential, which is good for them and for the company.

Larry Bloomfield
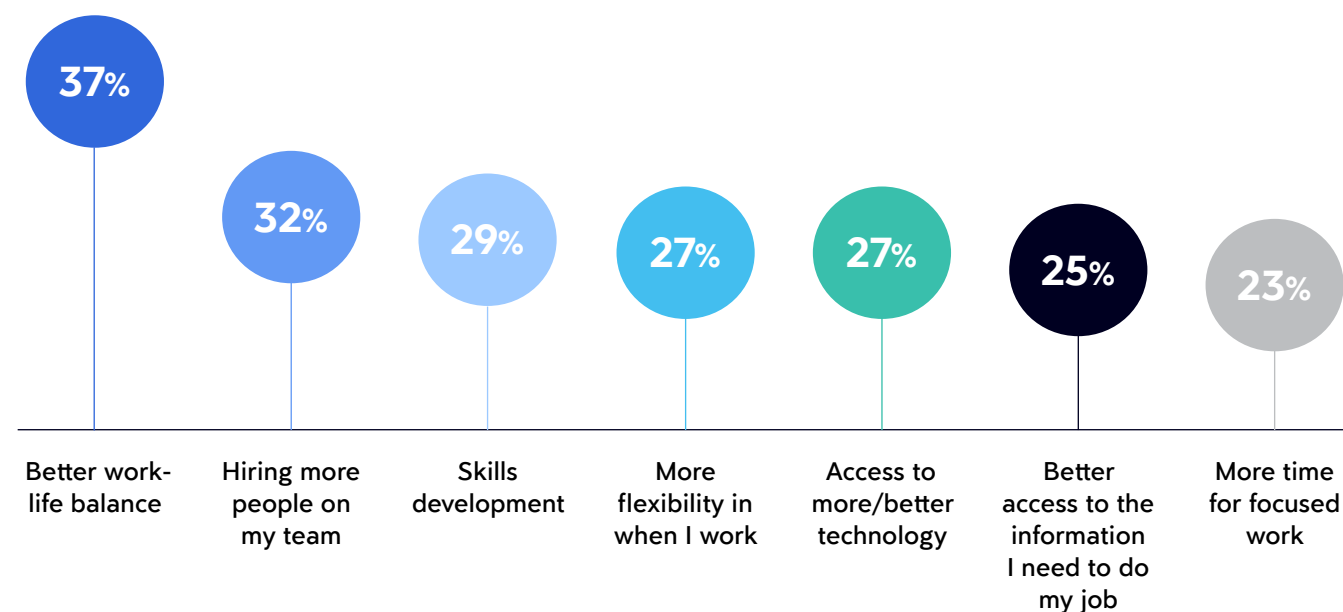Total Rewards Manager, Android Industries

While ever-growing performance goals are part of driving business forward, there are meaningful ways to reduce the risk to employee well-being, retention, and productivity that comes with aggressive organizational growth.

An overwhelming majority of surveyed workers say their employers could be doing more to increase their productivity. The top actions they want employers to take include improving work-life balance, hiring more people on their teams, skills development, and more flexible work schedules.

The right strategies, structure, and technology can help employers meet employee expectations while maintaining forward momentum for the organization.

91%

of workers said there are actions their employer can take to increase their productivity

Which of the following actions could your employer take to help you be more productive at work?

37%	32%	29%	27%	27%	25%	23%
Better work-life balance	Hiring more people on my team	Skills development	More flexibility in when I work	Access to more/better technology	Better access to the information I need to do my job	More time for focused work

The value of mobility

Hiring more people may not always be possible due to budget realities, but employers can consider how they're organizing and mobilizing the skills they already have in house to improve the distribution of labor.

Organizations can use technology to identify and track employees' skills and match them to projects and new opportunities. They can also make it easier for employees to find open roles inside the organization. People who are disengaged or lack the right skills for their current role may make a significant contribution in a different role.

Employers must take more action to align skills with work, which can help employees be more efficient and effective. Nearly four in 10 (37%) respondents said there is a different role with their current employer that better matches their skillset.

4 in 10

workers said there is a different role with their current employer that better matches their skillset

Similarly, this approach to internal mobility, coupled with proper succession planning, can help organizations reduce time-to-hire, which can decrease the strain on employees covering work for missing team members.

The allure of flexibility

Flexibility is often understood as remote work or four-day work weeks, which many employers simply can't provide for every employee in every role. However, the true scope of flexibility is much broader. And organizations should work to find different ways to offer it that won't disrupt business continuity.

Workplace flexibility acknowledges individual needs and supports work-life balance, rather than enforcing a rigid workplace schedule, according to *Great Place to Work*. Our findings show that workers may want different types of flexibility, such as more control over the hours when they work.

52%

**said flexibility is a job attribute they value most**

Ranked second to compensation, half (52%) of our respondents said flexibility was one of the attributes they value most in a job. And more than one-third (36%) of flight-risk respondents are looking for a new role because they want more flexibility.

To get the most out of their people and help build trust, organizations should work to understand and deliver on these preferences when possible to help maintain workforce balance. They can use technology to manage a flexible workforce and help maintain compliance, no matter how flexibility is defined.

Employers stand to gain big benefits by meeting employees' flexibility needs. According to *Future Forum*, employees who are able to shift their schedules are 39% more productive and have a 64% greater ability to focus than workers who have a fixed, rigid schedule.

Organizations should invest in tools that help them simplify the work of complex scheduling and better manage compliance with fair scheduling legislation. These tools can even provide more flexibility for employees, such as allowing shift swapping through a mobile app. The right technology can also help leaders understand how employees' work schedules are affecting them, minimizing the risk of burnout, absenteeism, and coverage challenges.

How well does your work schedule fit into your life?
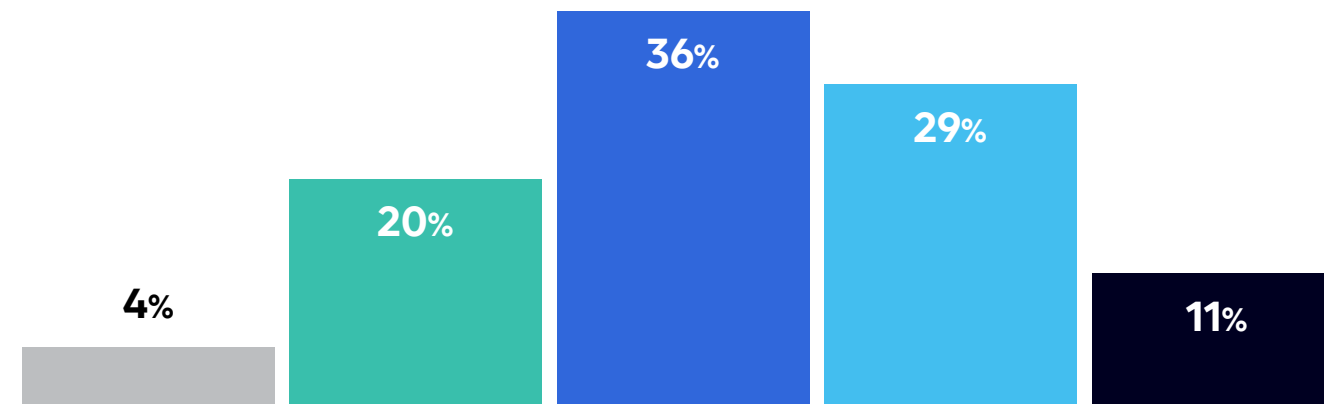
| | 4% | 20% | 36% | 29% | 11% |

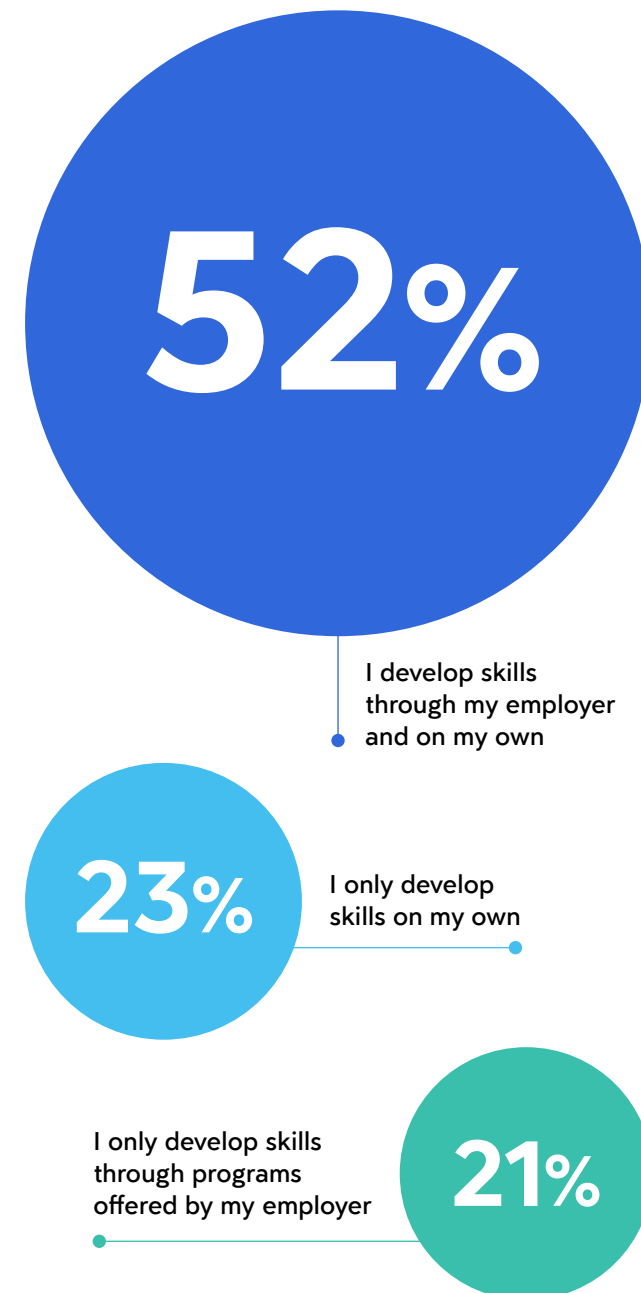| Results by region	AUS	CAN	GER	MYS	NZL	SGP	UK	U.S.
■ Does not fit at all	3%	5%	4%	3%	4%	6%	6%	4%
■ Slightly well	16%	19%	25%	17%	16%	29%	23%	15%
■ Moderately well	36%	37%	37%	38%	37%	36%	34%	33%
■ Very well	31%	29%	24%	32%	35%	23%	28%	33%
■ Extremely well	14%	10%	10%	10%	8%	5%	10%	15%

The advantage of skill building

Upskilling, reskilling, and skills mapping should be a top priority for activating workforce potential. It's truly a win-win: Employees can gain the right skills to support their career goals, while employers can prepare for the future needs of their organizations.

However, without employer assistance, many workers won't attain the skills needed for a world of work that looks nothing like it did in the past. Seventy-three percent of *Pulse of Talent* respondents said they are at least partially reliant on their employers for skill development, with 21% saying they only develop skills through their employer and 52% developing skills through their employer and on their own.

Organizations can better achieve their goals and activate employee potential when they have the right talent with the right skills in the right position. To win top talent, organizations should offer personalized development plans that put employees on their desired paths, while building the next generation of in-demand skills, right in-house. And that helps bring organizations and their people into balance.

Which of the following best describes how you develop professional skills?

52%
I develop skills through my employer and on my own

23%
I only develop skills on my own

21%
I only develop skills through programs offered by my employer

> One of the biggest changes I see in today's world of work is the constant need to engage employees. If you don't engage them, they lose focus and quit. So, you need a 360-degree view of how employees are experiencing work. To maintain engagement, they must have a way to represent their ideas, their thoughts, and their frustrations.

Dhivya Kamalakannan
Director of HRIS for North America, GardaWorld Cash Services

Efficiency vs. empathy

Organizations can't get the best performance from their people in an environment of distrust. In this year's *Pulse of Talent*, only half (56%) of workers we surveyed said they trust their employer. Nearly the same percentage (55%) said their employer trusts employees.

Research from *Microsoft* conducted in 2022 provides an example of this distrusting relationship – while 87% of employees say they're productive at work, only 12% of leaders surveyed have full confidence their team is productive.

In their drive to accelerate productivity, many employers have adopted employee monitoring software. A 2023 survey from *1E* reveals that 83% of IT managers say their current employer uses such technology.

But the use of these tools has a price. Sixty-one percent of our respondents said increased employee monitoring has made them feel more stress in the past year. Surveillance tools can make employees feel excess pressure to perform, which can backfire on employers by increasing burnout symptoms.

And our research shows further challenges – and opportunities – related to empathy, benefits, and employee listening.

56%
of workers trust their employer

55%
said their employer trusts employees

The reward of empathy

As organizations attempt today's great balancing act, the workers we surveyed revealed an imbalance in how they're treated by their company's leadership. Less than half (48%) of this year's *Pulse of Talent* respondents agree their organization's leaders empathize with employees.

And empathy matters to employees, sometimes even more than pay. *The 2023 HP Work Relationship Index* found that two-thirds (66%) of knowledge workers would take a pay cut to work somewhere with empathetic, emotionally intelligent leadership.

Achieving both empathy and efficiency can be a big challenge. Leaders want their people to feel valued at work but not at the cost of missing organizational targets.

Yet our research found that empathetic leadership can make a positive difference in work life, with 90% of respondents saying so. This includes improving their job satisfaction improving their mental health/levels of burnout, and making them more loyal – all things employers should aim to improve to achieve the balance that will drive higher performance.

Empathy matters even more to the younger workers we surveyed, with 96% of respondents aged 18-24 saying it would positively impact their work life. This makes empathetic leadership more of a business imperative as a new generation continues to enter the workforce.

If your organization's leaders showed more empathy, how would it impact the following?

(Select all that apply.)

52%
Improve my job satisfaction

48%
Improve my mental health/levels of burnout

41%
Make me more loyal

39%
Help improve my job performance

37%
Increase my productivity

10%
It would not make a difference to me

90%
of respondents said more empathy would make a positive difference in their work life

The strength of benefits

Many employees see this lack of empathy manifested in their employers scaling back benefits from pre-pandemic levels. Respondents reported that career development opportunities (14% decrease), flexibility for personal responsibilities (9% decrease), and DEI initiatives (8% decrease) were most likely to have been cut.

While budget realities can often get in the way of keeping every benefit an employer might like to offer, cutting highly valued benefits comes at a price. Six in 10 respondents said their employer eliminating a benefit they enjoyed or needed would make them less loyal and 55% said they would put in less effort at work.

Despite cost concerns, employers still have options to support employee wellbeing and help drive greater performance. Access to the right data and tools can help leaders better understand which benefits are popular among employees and which are not getting used. This insight helps employers build benefits plans that give them the most value – and uptake from employees – at the best possible cost for the organization.

55%

said they would put in less effort at work if their employer eliminated a needed benefit

Which of the following describes the time your employer began offering access to the following benefits?

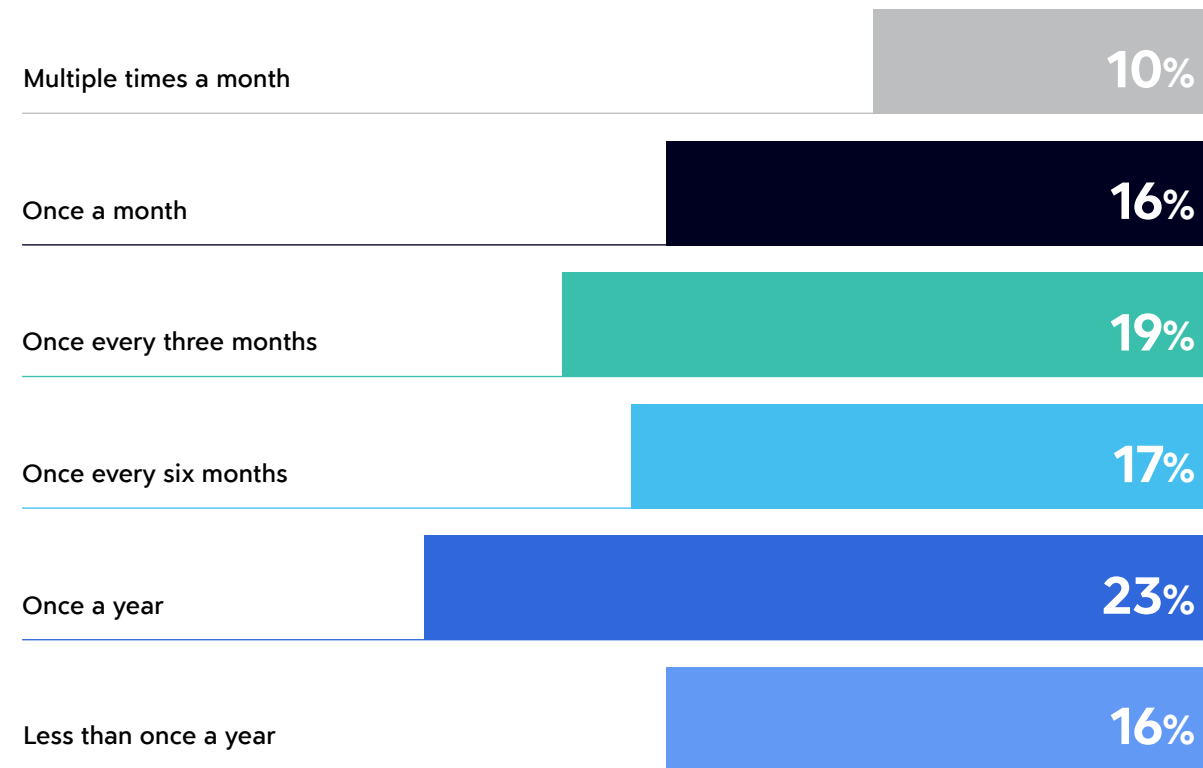| Benefits and organizational initiatives	Offered before the pandemic	Offered during the pandemic	Offered today
Career development opportunities	38%	13%	24%
Diversity, equity, and inclusion (DEI) initiatives	31%	14%	23%
Flexibility for personal responsibilities or illness	33%	20%	24%
Flexible schedule	21%	28%	21%
Mental health benefits	27%	20%	22%
On-demand pay	11%	13%	13%
The ability to work remotely all or some of the time	11%	40%	18%

The impact of listening

Balancing employee wellbeing and efficiency also hinges on listening, especially in today's rapidly changing world. But less than half (45%) of our *Pulse of Talent* respondents said their employer actively collects feedback on organizational changes. Organizations can't combat the negative effects of their workforce changes if they aren't aware of what's happening.

And employers aren't making employee feedback a priority on an ongoing basis either. Four out of 10 of the workers we surveyed said their employer only collects employee feedback once a year or less. This is a problem around the globe, peaking in Canada with half of respondents saying their employer asks for employee feedback once a year or less.
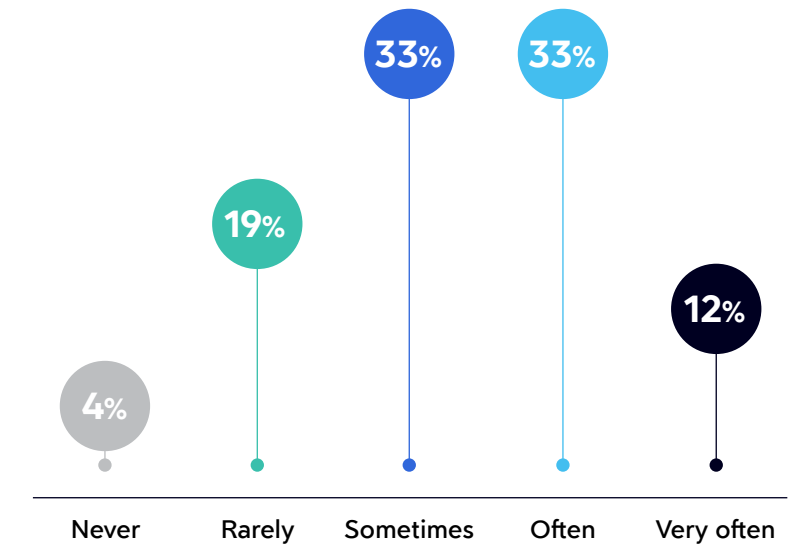
To compound the problem, when employers do ask for feedback, they may not be getting an accurate picture of how their workforce feels. Just over half (52%) of surveyed workers said they often or very often provide feedback when their employer asks for it. This could be because only 44% said they agree their employer acts on employee feedback.

How often does your employer actively collect feedback from employees?
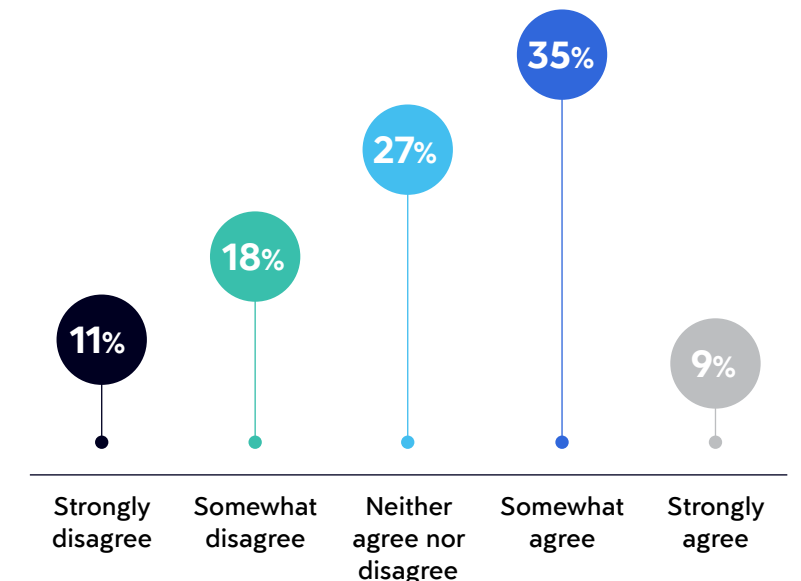
Multiple times a month	**10%**
Once a month	**16%**
Once every three months	**19%**
Once every six months	**17%**
Once a year	**23%**
Less than once a year	**16%**

Results by region	AUS	CAN	GER	MYS	NZL	SGP	UK	U.S.
Multiple times a month	10%	7%	12%	12%	6%	7%	8%	13%
Once a month	20%	10%	15%	22%	22%	17%	14%	15%
Once every three months	21%	17%	18%	22%	27%	23%	20%	15%
Once every six months	17%	16%	14%	17%	17%	20%	19%	15%
Once a year	21%	27%	22%	17%	16%	24%	25%	24%
Less than once a year	12%	23%	23%	9%	11%	9%	14%	18%

## How often do you participate in providing feedback when your employer asks for it?

Never	Rarely	Sometimes	Often	Very often
4%	19%	33%	33%	12%

To what extent do you agree with the following statement? "My employer acts on employee feedback."

Strongly disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Strongly agree
11%	18%	27%	35%	9%

The path forward

In our *14th Annual Pulse of Talent* survey, we see that many employees believe their employer's priorities are falling out of balance during this period of rapid change. And it's having a negative impact on organizational performance in a complex business environment.

Instead of seeing this balancing act as a seesaw, organizations should consider how striking the right balance can pave a stable path forward. Taking into account all these competing priorities, we think the following five areas can help you balance agility and stability, productivity and flexibility, and efficiency and empathy.
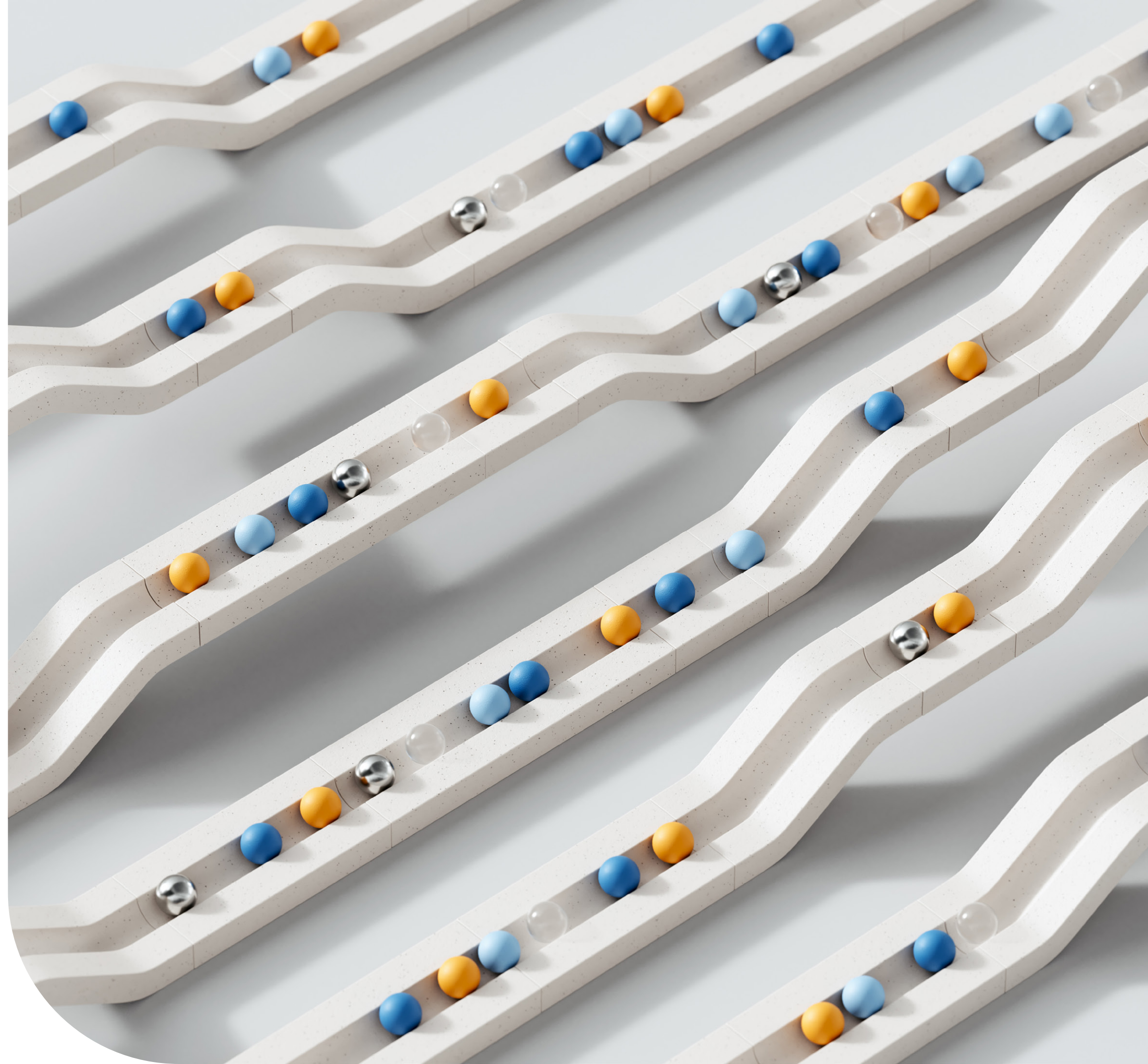
Expand employee development to enhance workforce potential

1 Provide tailored opportunities for job-specific learning at key stages of the employee lifecycle and help improve speed to productivity.

2 Automate skills initiatives to help employees catalog their existing skills and map skills to work to increase performance.

3 Inspire and retain your people while increasing workforce agility by offering opportunities for internal mobility throughout the organization.

Use AI technology to drive productivity

1 Use AI technology with guardrails that allow for trustworthy innovation and help complement workforce performance.

2 Leverage automation to simplify repetitive tasks across your business to help employees gain back time, work more efficiently, and be more satisfied with their work.

3 Invest in AI-driven talent systems that offer personalized career recommendations to improve internal mobility and retention.

Make empathy a priority

1 Measure levels of burnout to understand workforce wellbeing and help your people feel supported at work.

2 Implement leadership training that explores the emotional aspects of change and how to be an empathetic leader.

3 Use technology to increase a sense of belonging by extending culture and information to everyone, everywhere.

Align benefits and flexibility with employee needs

1 Use technology to make informed decisions about the best benefits for your workforce and analyze the cost impact.

2 Adopt financial wellness tools to reduce stress, increase productivity, and provide additional flexibility.

3 Invest in technology that provides a clear picture of employee work-life balance to better align their needs with company goals.
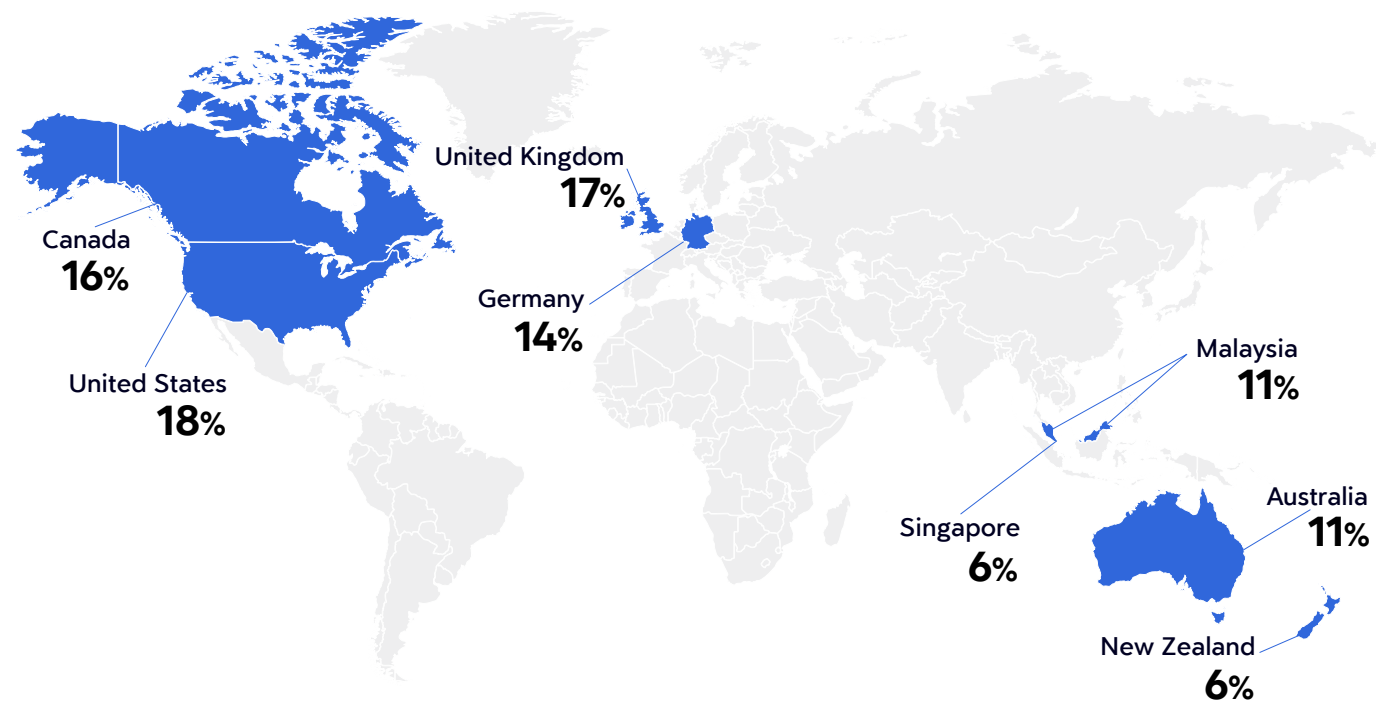
Simplify employee listening and communication

1 Conduct more frequent employee surveys to better understand how employees are impacted by change.

2 Keep employees engaged and informed about change by providing easy access to personalized information.

3 Invest in technology that helps provide a deeper understanding of the employee experience to align their needs with company goals to drive results.
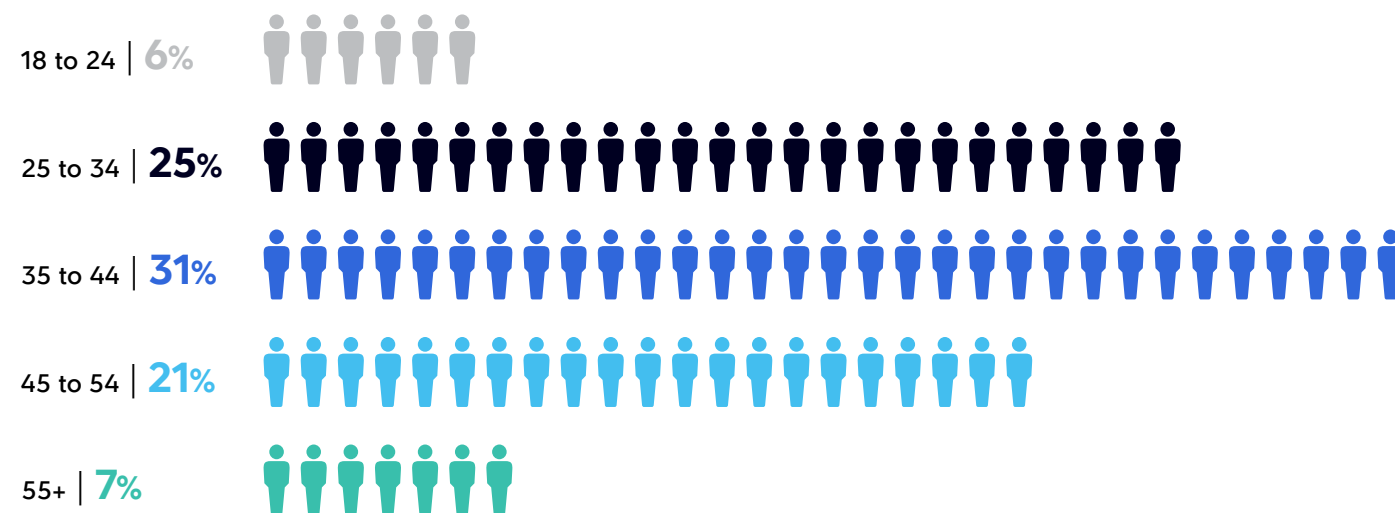
Our *Pulse of Talent* findings show that maintaining equilibrium is the key to achieving high performance and unlocking value in a complex business climate. When employers can successfully navigate this balancing act, organizations can unlock more value, realize their people potential, and operate with confidence for sustainable results.
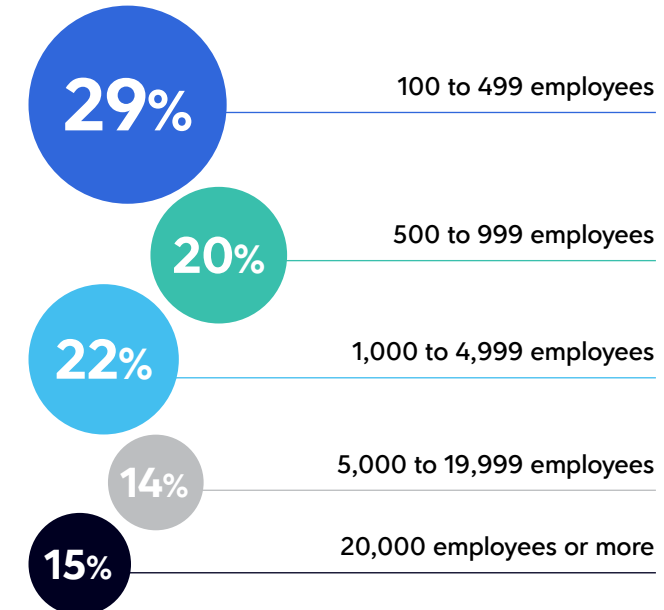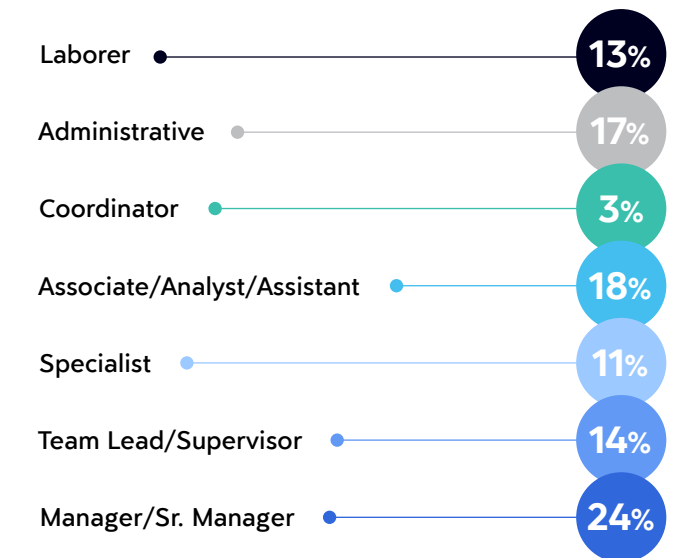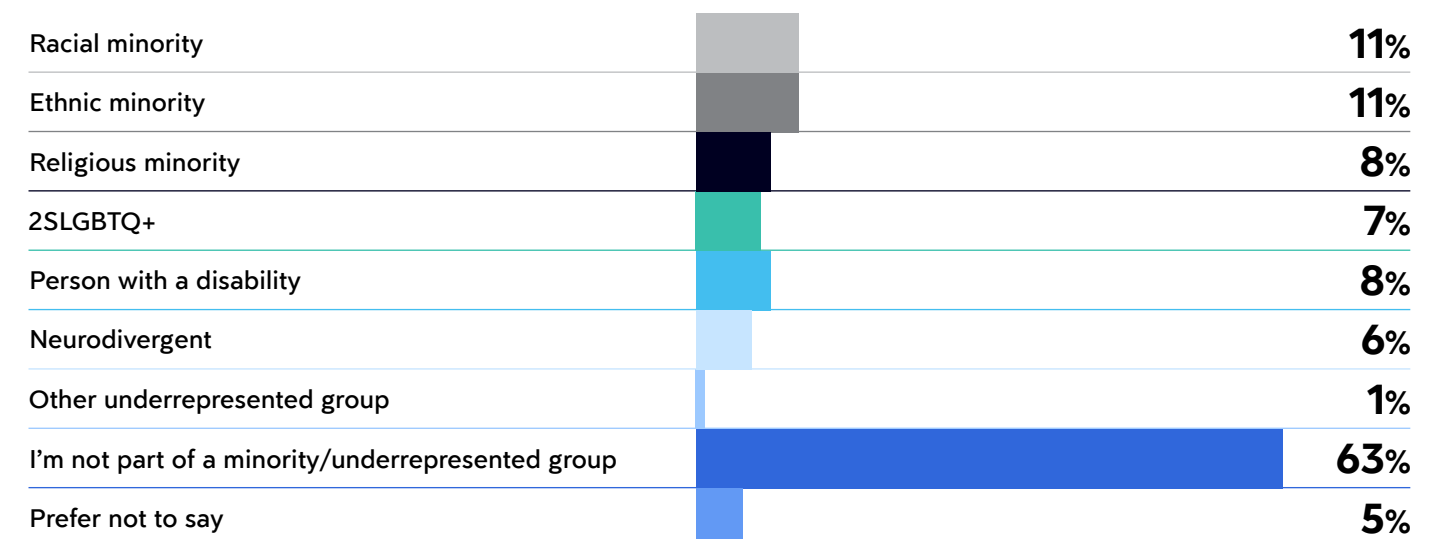
Who we surveyed

Country

United Kingdom
17%

Canada
16%

Germany
14%

United States
18%

Malaysia
11%

Australia
11%

Singapore
6%

New Zealand
6%

Age range

18 to 24 | **6%**

25 to 34 | **25%**

35 to 44 | **31%**

45 to 54 | **21%**

55+ | **7%**

Organization size

29% — 100 to 499 employees

20% — 500 to 999 employees

22% — 1,000 to 4,999 employees

14% — 5,000 to 19,999 employees

15% — 20,000 employees or more

Job role

Role	%
Laborer	13%
Administrative	17%
Coordinator	3%
Associate/Analyst/Assistant	18%
Specialist	11%
Team Lead/Supervisor	14%
Manager/Sr. Manager	24%

Identify with any of the following minority/underrepresented groups

Group	%
Racial minority	11%
Ethnic minority	11%
Religious minority	8%
2SLGBTQ+	7%
Person with a disability	8%
Neurodivergent	6%
Other underrepresented group	1%
I'm not part of a minority/underrepresented group	63%
Prefer not to say	5%

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