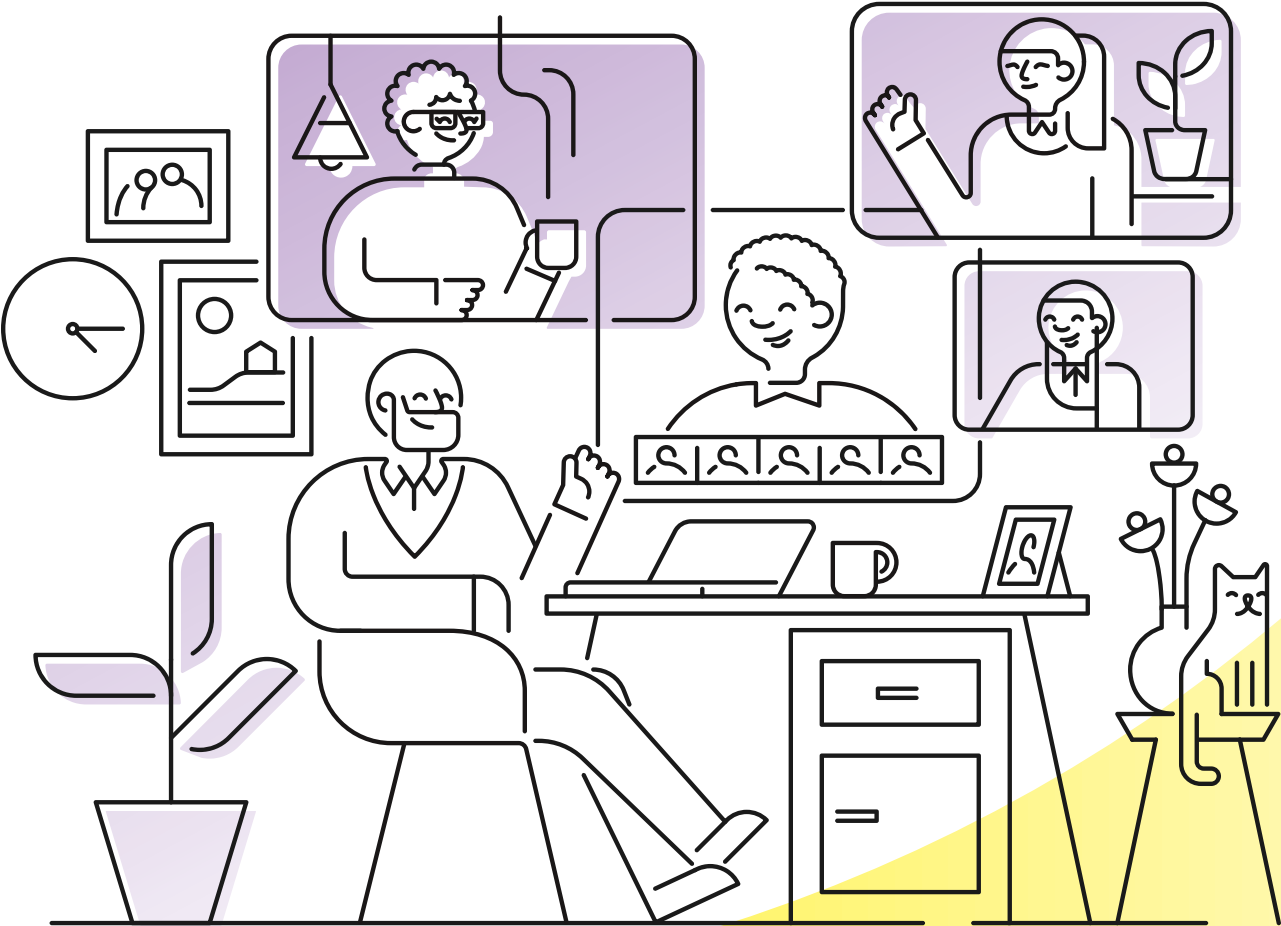# 2021 Workforce Mindset Study®

alight

Alight's mindset research

Our research seeks to help companies driven by data and thrilled by design to understand how to optimize wellbeing and the employee experience to drive engagement, productivity and performance. The sixth annual *Workforce Mindset® Study* described in this report is part of our mindset series, along with Alight's *Employee Wellbeing Mindset Study,* which provides insight into what employers can do to improve employee wellbeing, drive greater engagement in benefits and wellbeing programs and facilitate smarter planning and actions. For more information, please visit alight.com.

About Alight Solutions

With an unwavering belief that a company's success starts with its people, Alight Solutions is a leading cloud-based provider of integrated digital human capital and business solutions. Leveraging proprietary AI and data analytics, Alight optimizes business process as a service (BPaaS) to deliver superior outcomes for employees and employers across a comprehensive portfolio of services. Alight allows employees to enrich their health, wealth and work while enabling global organizations to achieve a high-performance culture. Alight's 15,000 dedicated colleagues serve more than 30 million employees and family members. Learn how Alight helps organizations of all sizes, including over 70% of the Fortune 100 at alight.com.

We analyze and present the *Workforce Mindset Study* findings and insights from a broad range of themes annually — employee experience, cultural characteristics and differentiators, total rewards, communication and technology.

But this is no typical year. We cannot ignore the fact that our research does not take place in a vacuum. Indeed, its whole purpose is to take the pulse of employees in the real world so that employers can use those insights to help them determine the best path forward for their people and their organizations. While we still cover the signature topics in this year's study, we acknowledge it was conducted in July 2020, when the country was in the throes of the

COVID-19 pandemic and immediately following the rise of racial and social justice movements. We explore new areas such as the employer response to COVID-19, the rise of remote work, prevalence of furloughs and burgeoning social issues.

Employee experience is personal. How employers/organizations bring that experience to life can't be a one-size-fits-all approach. That's true now more than ever, as we see how specific employee groups are affected by and are navigating the unique challenges of 2020. These observations are highlighted throughout the report to call out unique audiences as employers consider how to best support their workforce and build a great overall employee experience in 2021.

Employee experience: Holding steady as new concerns emerge

We define the overall employee experience as the day-to-day interactions that enable employees to:

— **Contribute** their value fully and efficiently.

— **Express** their authentic selves at work.

— **Collaborate** with people they respect and enjoy.

— **Connect** to a meaningful brand and inspiring purpose.

Of course, that day-to-day reality changed for nearly everyone due to the pandemic, whether they were essential, furloughed, remote or healthy. In fact, just over one-quarter (27%) of employees are having a great overall employee experience,* which is similar to 2019 findings. Unfortunately, the employee Net Promoter Score (eNPS)** (willingness to recommend employer) fell to -4 from +7 last year — the slight decline perhaps driven by increased uncertainty. A significant portion of employees say they are quite concerned about their long-term job stability (38%), and nearly half (48%) say they are more concerned now than before COVID-19.

Overall employee experience (EX) by year

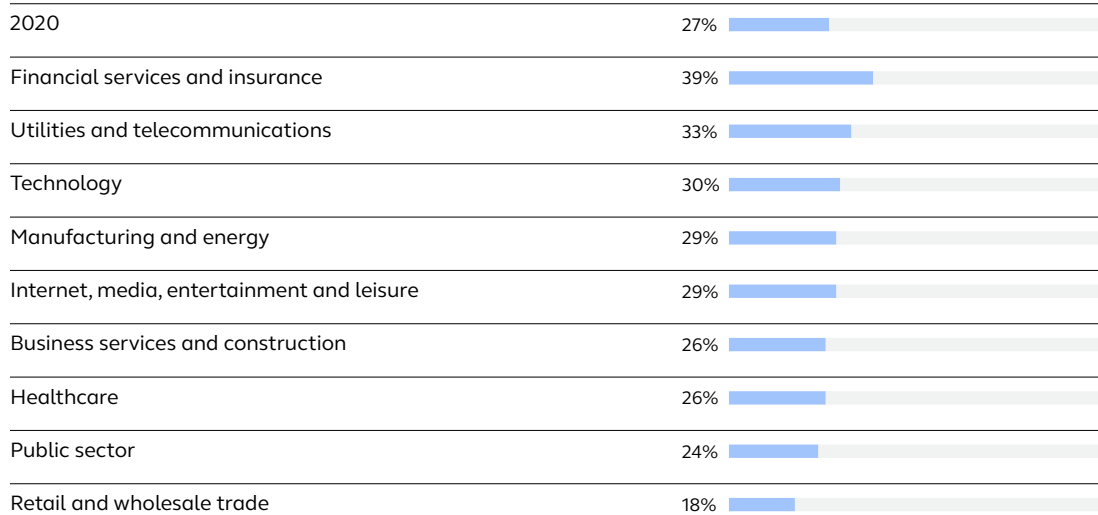|	Great	Good	Bad	Awful
2020	27%	27%	29%	17%
2019	28%	24%	30%	19%
2018	23%	22%	32%	23%

Hiring and onboarding sets the stage and foundation for a great overall employee experience. COVID-19 certainly challenged any company's creativity and resilience in these micro-experiences. The good news is that just over half (52%) of employees joining their company in the prior 12 months say the overall candidate experience was great or awesome, similar to last year (52% compared to 49% in 2019). Unfortunately, the new hire experience was less positive, with only 45% citing it as great or awesome (down five points from last year). Interestingly, Gen X new hires were slightly more positive compared to other generations, while Baby Boomers were least positive relative to others.

*Figure is calculated using composite of three separate items: overall rating (awful to awesome on 6-point scale), "EX couldn't be much better here" (strongly agree + agree on 6-point scale), and meeting of expectations (significantly exceeds + exceeds on a five-point scale)

**Employee Net Promoter Score (eNPS). Net Promoter Score and NPS are trademarks of Satmetrix Systems, Inc., Bain & Company, Inc., and Fred Reichheld.

Employee experience: Industry differences

Overall employee experience (EX) by industry

2020	27%
Financial services and insurance	39%
Utilities and telecommunications	33%
Technology	30%
Manufacturing and energy	29%
Internet, media, entertainment and leisure	29%
Business services and construction	26%
Healthcare	26%
Public sector	24%
Retail and wholesale trade	18%

"Great" EX score trends

Across most industries, there was a decline in percentage of employees having a truly great EX.

Significant decline from 2019

— Retail (down seven points, 18% vs. 25%)

Unique improvement from 2019

— Financial services and insurance (up 10 points, 39% vs. 29%)
— Utilities and telecommunications (up four points, 33% vs. 29%)

Six key drivers beginning to shift

The six key drivers of the overall employee experience have moved in terms of relative importance, though the top two have remained consistent — culture and career. Contribution, collaboration, connection and cause round out the drivers. Perceptions related to contribution, culture and cause rose the most over last year, which may indicate that people are appreciative of the job they have and more mindful of the impact they, and their employer, can have beyond traditional business objectives. Of course, the relative impact of drivers will differ by organization and workforce segment.

Culture
Culture centers mostly on the collective — on how the organization's values (specifically articulated or not) are demonstrated by leaders and people, how leaders support a positive culture and create a sense of energy and excitement within the company.

Career
Career is more focused on the individual and relates to an organization's authentic support for employee work and life goals, plentiful and variant opportunities for professional and personal development, as well as strong and demonstrated managerial support for personal success.

Collaboration
Not surprisingly, this dimension incorporates the ease of collaborating with others and the ability to effectively share valuable information. It also points to an underlying theme about the importance of authenticity and transparency both among coworkers, as well as between the employee value proposition and the organization's external one.

Contribution
People want to contribute value and be productive, and be recognized for that contribution. But the ability to fully contribute can often be challenged by obstacles within the workplace — mainly a perceived lack of, or effective access to, enabling and integrated tools, technology, resources or information to do their best work.

Connection
Any experience, be it the employee or customer, is better when it involves people with whom connections can be made, sometimes on a deep level but always honestly and respectfully.

Cause
The overall experience is heightened by the level of passion employees feel toward the company's purpose and how well their personal values align with what they experience, see or hear as indicators of the company's values. Having pride in the products and services the company delivers is also an important part of the cause dimension.

Desire for human-centered experiences remains at the top

A desire for a more human-centered work experience (balance, ethical, trustworthy, fair and honest) continues with slight shifts in relative position. Balance continues to reign at the top (four years straight). Employee recognition-oriented, accountable, continuously improving, employee engagement-focused and efficient fell in their relative rankings, while respectful, financially stable, compassionate, loyal (returning to top 15 for the first time since being number one in 2016), and wellbeing-oriented (debut in the top 15) increased. Interestingly, socially responsible, while not breaching the 15% mark, rose by 50% to 9% of respondents selecting it as a top 10 desired characteristic (an increase from 6% of respondents selecting it in 2019).

Which of the following words best describe how you would like your current employer to be?
Top desired characteristics — selected by 15% or more
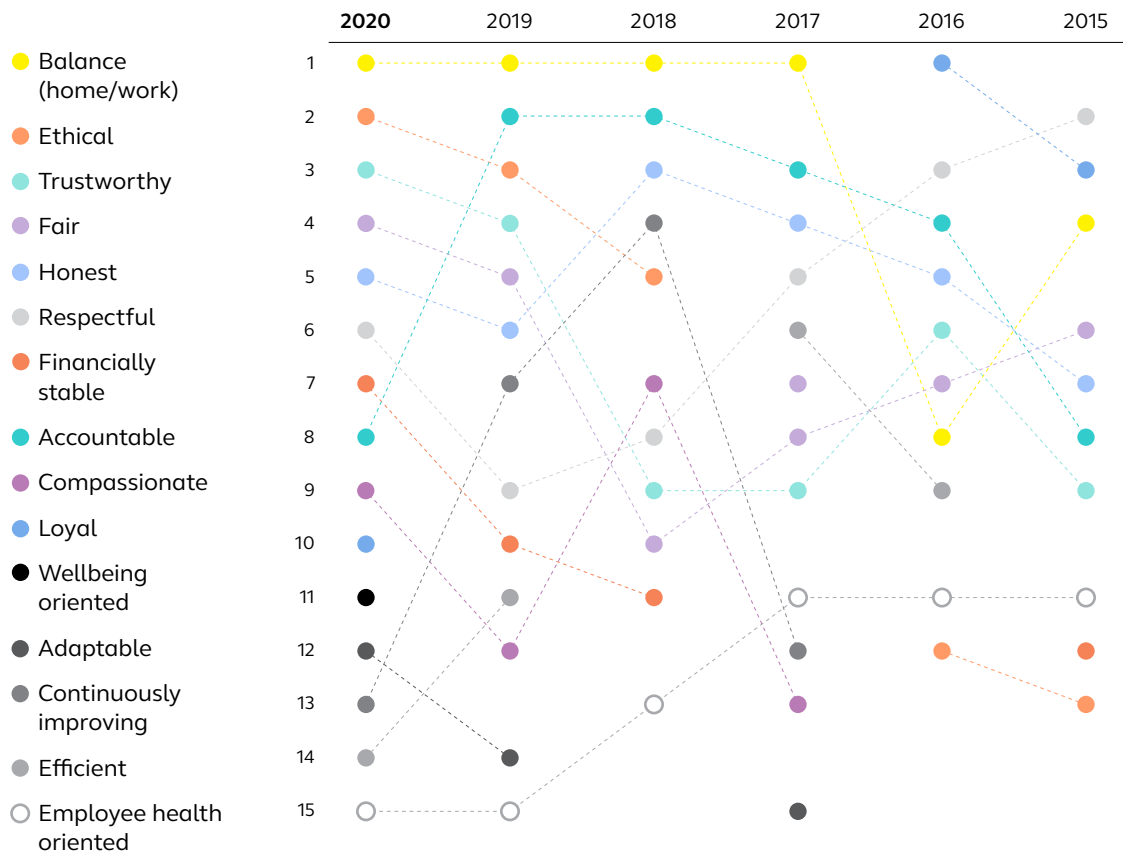
Furloughed worker

When this study was conducted in July 2020, 22% were on furlough, and another 13% were previously furloughed but returned to work. The youngest of the workforce have been impacted the most.

Many expect to be furloughed again in the near future. While they are worried about their jobs and are considering looking for other opportunities, furlough communication and processes have been a positive experience for most. Over half had positive reactions to the furlough communications they received, and more feel their employer's decision was reasonable and handled respectfully.

Communication impact

When communication was clear and easy to understand, there was a positive impact on employees' experiences — employees were even more likely to feel their employer's decision was reasonable (77%), that the process was respectful (81%) and have no plans to leave their company (52%).

35% have been furloughed due to COVID-19

By generation

Gen Z	61%
Emerging Millennials	47%
Established Millennials	39%
Gen X	24%
Boomers	24%

Industries most impacted

Media, entertainment and leisure	50%
Manufacturing and energy	47%
Utilities and telecommunications	43%
Retail and wholesale trade	41%

Furloughed worker

Differences in perception and plans

	Furloughed employees	Never furloughed employees
How concerned are you about your long-term job stability (very concerned + moderately concerned)	78%	48%
I have no plans to leave my current company or role	49%	70%

Furloughed employee viewpoint (strongly agree or agree)

|	
I believe the company's decision to furlough employees was reasonable given the situation	61%
Overall, I feel the furlough process was handled respectfully	58%
Communication about the furlough (e.g., process, impact on pay/benefits, etc.) was clear and easy to understand	55%
As a result of my employer's actions, I am less likely to stay at my current job	41%

A desire for job stability

The pandemic-caused economic crisis hit employees hard in 2020. While the current labor market may hold turnover down in the near term, over one-third of employees (35%) were furloughed at some point during the pandemic, for an average of about 38 days, with those furloughs hitting the youngest employees hardest. Of those who were furloughed, over two-fifths (41%) say they are less likely to stay at their current job considering actions their employers have taken — this finding is even higher for Emerging Millennials at 54%.

Employees are also feeling other repercussions at work, with employers reducing hours (18%), implementing furloughs (18%), conducting layoffs (17%) and reducing compensation (14%).

Still, there is a desire for stability. In fact, 61% of employees say they have no plans to leave their current company. This is up from 48% just a year ago, and only the second time in five years it's been above 50% (52% in 2017). While almost four in 10 are at least moderately concerned about their long-term job stability, people may not want to jump ship into the unknown. Economic uncertainty is weighing on many employees, as 48% agree that they are more concerned about their long-term employment opportunities now than they were before the pandemic.

Employment plans over the next 12 months among those who expect to keep working

2020	61%	10%	14%	11%	3%
2019	48%	17%	21%	8%	6%
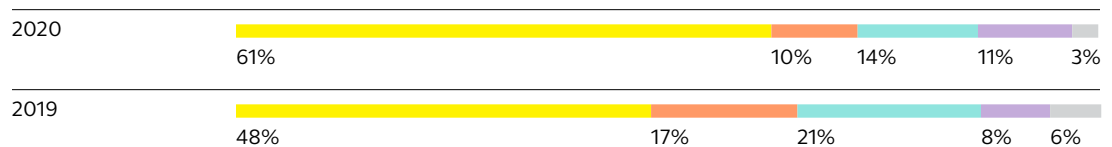
- 🟨 I have no plans to leave my current company
- 🟧 I have no plans to leave, but expect to actively seek another role at my current company
- 🟩 I don't expect to be looking but would consider a job offer from another company if it came up
- 🟪 I will be actively looking for a job with a different company
- ⬜ I will find and accept a job offer from a different company
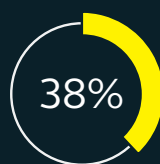
38% are extremely or moderately concerned about long-term job stability due to COVID-19
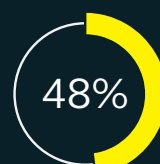
48% are more concerned about long-term employment opportunities now than before COVID-19

Primarily remote due to COVID-19 (PRC) employee

Last March, many organizations deployed a work from home shift as part of a sweeping shutdown. This meant that there was an immediate new cohort of workers: Employees who are working primarily remote (over 80% of time) today due to COVID-19, but were not primarily remote prior to the outbreak. We call this group "primarily remote due to COVID-19" (PRC), and they represent about one-third (34%) of the workforce. This segment is slightly older, longer tenured and less likely to be in essential industries, such as healthcare and retail, compared to the total population.

PRC are more likely to be positive about their employee experience, but wellbeing is challenged similar to all employees. Most PRC employees (58%) agree that working remotely has more benefits than drawbacks — only nine points lower than those who worked primarily remote before the pandemic (67%).

PRC interest in continuing to work remotely if given the opportunity
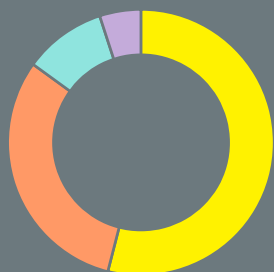
54%	Very interested
31%	Moderately interested
10%	Not very interested
5%	Not at all interested

PRC employees rate their ability to be fully productive similarly to the total population, and 78% say they are at least as productive or more productive compared to prior to COVID-19. One-third (31%) are working an average of nearly one extra day per week (seven hours), while one in 10 (13%) are working an average of 12 fewer hours per week. Later in this report, we delve deeper into what the study has uncovered across topics (Adapting to the next normal) since there is little doubt that the employee experience will never be quite the same.

PRC employees seek faster or more reliable connectivity (34%), access to digital tools they normally had in the workplace (28%), office supplies (28%) and resources or subsidies to improve their remote environment (19%) to make their experience more successful.

With rising lockdowns and uncertain routines, the risk of further negative impacts from mental/emotional stress, and collaboration or connection challenges, the entire remote segment will require ongoing attention.

Want to learn more about this segment, what employees think of returning to work, and what you may want to consider for this group? Check out this article on our website: alight.com/research-insights/return-to-work-whitepaper
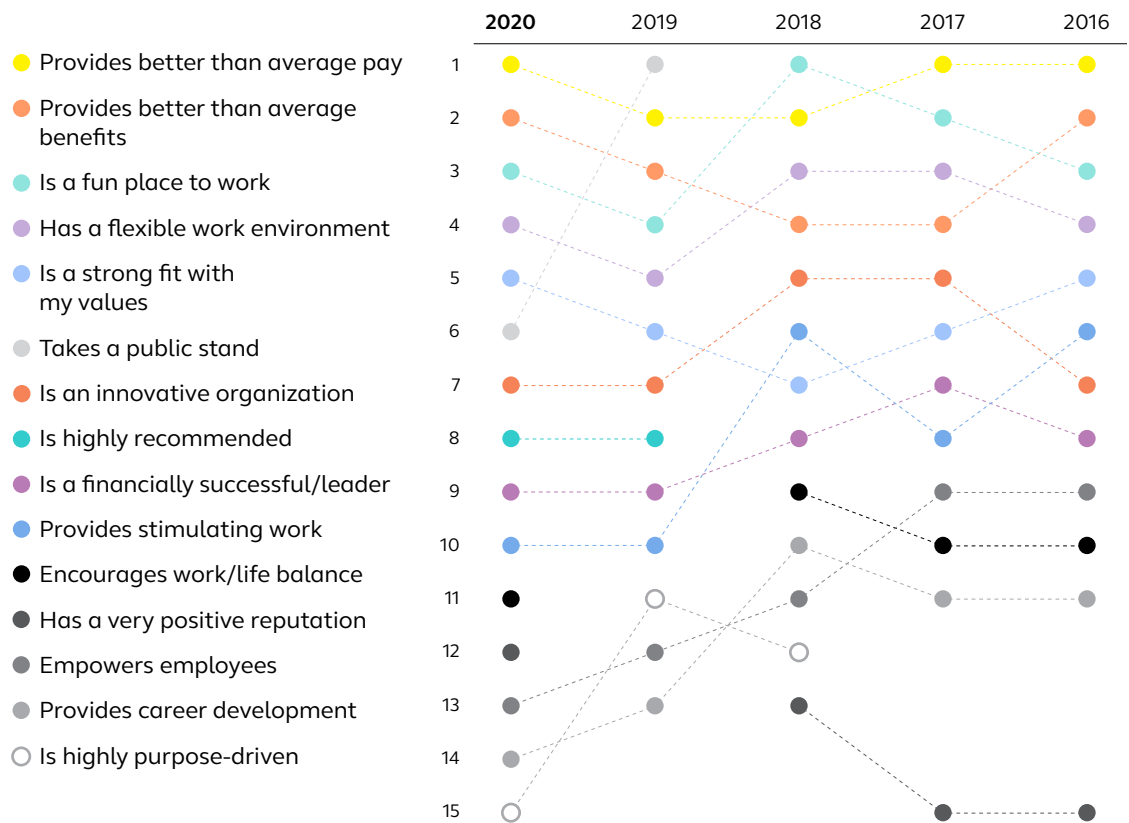
Key differentiators reflect a diverse mix

All employer attributes have some ability to differentiate for employers. When it comes to attributes with the most opportunity to differentiate one employer from another, five occupy the top positions: better than average pay; better than average benefits; fun; flexibility; and being a strong fit with personal values.

Takes a public stand, which was highest last year and nearly tied with values-fit this year, remains a strong differentiator for most, especially for Gen Z (under age 24 in 2020; see page 24 for more on younger workers). Encourages work/life balance and having a positive reputation with customers rose in opportunity from last year. Two new attributes added this year in light of COVID-19 (quickly responds and takes action; provides a safe, healthy workplace) are viewed by most as expectations, not as likely differentiators.

"This really differentiates one employer from another"
Relative rank over time

	2020	2019	2018	2017	2016

● Provides better than average pay
● Provides better than average benefits
● Is a fun place to work
● Has a flexible work environment
● Is a strong fit with my values
● Takes a public stand
● Is an innovative organization
● Is highly recommended
● Is a financially successful/leader
● Provides stimulating work
● Encourages work/life balance
● Has a very positive reputation
● Empowers employees
● Provides career development
○ Is highly purpose-driven

Note: Attributes tested (24 in total for 2020) have changed over time (additions/deletions), but this comparison is only looking at top 15 attributes most likely to differentiate and asked in 2020 to show relative change. Previous years may have other attributes not accounted for here.

A generational take on what stands out

Top differentiators by generation

	Gen Z	Emerging Millennials	Established Millennials	Gen X	Boomers
1	Takes a public stand on social and/or political issues	Better than average pay	Better than average pay	Better than average pay	Better than average pay
2	Strong fit with my values	Fun place to work	Better than average benefits	Better than average benefits	Flexible work environment
3	Better than average pay	Flexible work environment	Fun place to work	Flexible work environment	Better than average benefits
4	Fun place to work	Strong fit with my values	Takes a public stand on social and/or political issues	Fun place to work	Fun place to work
5	Better than average benefits	Encourages appropriate balance between work and personal life commitments	Strong fit with my values	Innovative	Takes a public stand on social and/or political issues
6	Innovative organization	Better than average benefits	Flexible work environment	Strong fit with my values	Highly recommended by current employees
7	Very positive reputation with customers/clients	Environmentally and socially responsible	Financially successful or market leader	Takes a public stand on social and/or political issues	Strong fit with my values
8	Environmentally and socially responsible	Highly recommended by current employees	Encourages appropriate balance between work and personal life commitments	Highly recommended by current employees	Innovative
9	Flexible work environment	Takes a public stand on social and/or political issues	Provides stimulating work	Financially successful or market leader	Financially successful or market leader
10	Highly recommended by current employees	Empowers employees	Innovative	Empowers employees	Empowers employees

Flexibility and balance take center stage

The desire for flexibility has been growing for a while and the pandemic-caused infusion of remote workers has further accelerated this trend and its perceived value.

— Balance is the most often cited desired characteristic (four years running).

— When it comes to differentiating organizations, flexibility holds a consistent spot in the top five responses.

— Two-fifths (39%) rank flexibility as a top five most important total reward (similar to bonus pay).

— Like prior years, six out of ten employees would not consider a job that provided less flexibility than they have today.

When asked about a series of potential changes impacting work into the future, employees overwhelmingly cite an increase in remote/virtual work, and that employers would view remote/virtual work the same as on-site as most likely in the next one to two years.

Getting the balance right between providing flexibility/virtual work and encouraging community, connection and collaboration is essential to fostering a great employee experience and promoting high productivity. It is important to listen to employees and test ideas to get it right.

Most employees can effectively manage their work and personal commitments, though fewer agree that their company supports their efforts to do so. Younger employees are less likely than other workers to be positive about their ability to balance commitments or their company's support. This younger group also finds managing these commitments more difficult due to COVID-19.

Managing commitments

View on work and personal commitments*

Legend:
- 2020 (yellow)
- Gen Z (orange)
- Millennials (teal)
- Emerging Millennials (purple)
- Established Millennials (blue)
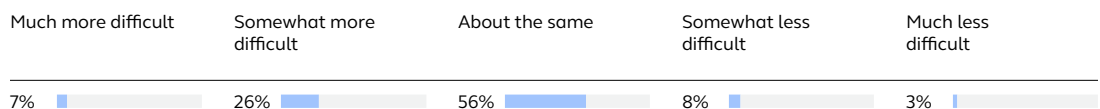- Gen X (gray)
- Boomers (black)

I am effectively able to manage my work and personal commitments

Group	Value
2020	65%
Gen Z	43%
Millennials	61%
Emerging Millennials	57%
Established Millennials	62%
Gen X	70%
Boomers	71%

My company supports my efforts to manage my work and personal commitments

Group	Value
2020	54%
Gen Z	49%
Millennials	54%
Emerging Millennials	51%
Established Millennials	56%
Gen X	57%
Boomers	55%

As a result of COVID-19, managing my work and personal commitments have become:

Much more difficult	Somewhat more difficult	About the same	Somewhat less difficult	Much less difficult
7%	26%	56%	8%	3%

*Figures represent those citing "strongly agree" or "agree" on a 6-point scale.

Working parent

While segments of the workforce have been affected by COVID-19 in different ways, working parents have the additional challenge of addressing the impact on education and caregiving, especially as the pandemic remains a significant influence well into 2021.

According to many studies, about one-third of the workforce have children under 18 years old, and nearly three-quarters of those with children under 14 do not have available caregiving within the household. Alight's Employer Response to COVID-19 studies find that most employers do not know or lack a good estimate of how many of their employees are dealing with caregiving and remote learning challenges, but nearly all expect at least moderate impacts to emotional health/stress, productivity, performance and perceptions of the employee experience. All of those concerns borne out by our survey results here, with 43% of working parents saying it has been more difficult to manage work and personal commitments.

While working parents are slightly more likely to be engaged and positive about their overall employee experience and total rewards, their intent to stay/retention responses are similar or lower than others.

In fact, nearly one-quarter (22%) are concerned that the lack of available care will inhibit their ability to return to work, creating pressure to quit or reduce hours. Not surprisingly, flexibility is more important and more valuable to working parents, and single parents struggle most with managing their work and personal commitments compared to all other segments. This is also a group that expects and appreciates the support provided by their employers. Asking working parents specifically about their experiences, a few themes emerge:
— Parents feel like they need to be in two places at once.
— Many express an openness to pay reductions for added care benefits and flexible hours.
— Employees want employers to allow for the flexibility to take care of their personal matters, even if it is during work hours.

Working parent mindset

	Working parents	Others
Disruption will affect how I think about job and employer	54%	48%
Concerned about long-term job stability	44%	36%
Less likely to stay due to COVID actions employer has taken	46%	38%
Been furloughed	42%	31%
Have worked an additional job in last 12 months	21%	15%

Working parent

Working parents are more likely than others to expect the blending of work and personal life activities to become the norm, and to see an increase in benefit and wellbeing offerings from employers in the next one to two years.

Compared to others, they are more likely to value all the workplace technology elements, including enterprise social networks, collaboration tools, virtual meetings and their intranet as enablers of the high-valued flexibility and support. Investments in support of this segment during this most attention-and-productivity-challenged time will certainly be viewed very favorably and produce positive engagement and retention benefits longer term.

In their own words:

"Good employers know that to have a productive workforce, they must ensure the happiness and health of their employees. Providing them with the resources they need to take care of themselves and their family not only provides the company with employees that can later handle stresses and work challenges, but it also enforces trust and loyalty with that employee to help with retention."

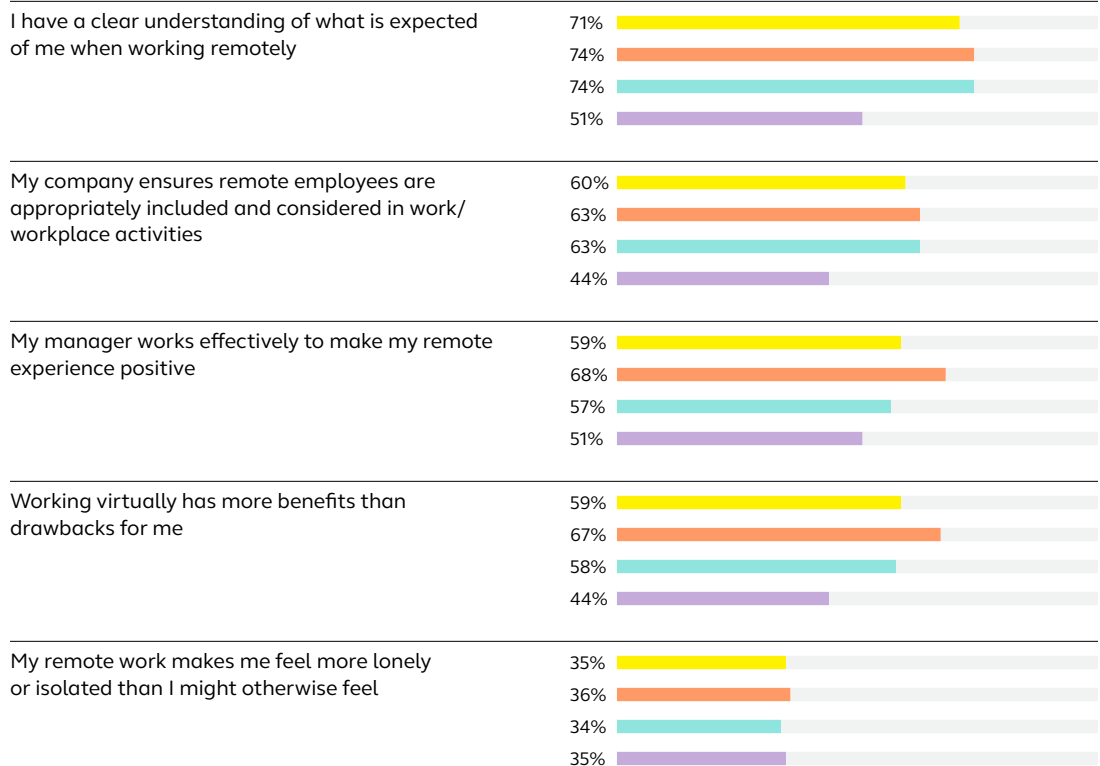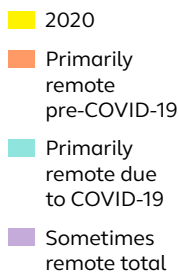Want to learn more about supporting your working parents? →

What remote workers need

With nearly half of employees (49%) now working remotely at least 60% of the time (34% due to COVID-19), their experience will be critical to productivity. For those working remotely, their experience overall has generally improved over last year. It will be important for employers to dig deeper into and monitor the remote experience to continue to design and iterate for efficiency, engagement and effectiveness.

More than **eight out of 10** respondents say the following factors would improve their remote experience:
— Faster or more reliable connectivity
— Appropriate access to technology, digital tools or software typically used in the workplace
— Office supplies/work tools
— Company-provided resources or subsidies for physical workspace

Remote work viewpoint*

- 2020
- Primarily remote pre-COVID-19
- Primarily remote due to COVID-19
- Sometimes remote total

I have a clear understanding of what is expected of me when working remotely
- 71%
- 74%
- 74%
- 51%

My company ensures remote employees are appropriately included and considered in work/workplace activities
- 60%
- 63%
- 63%
- 44%

My manager works effectively to make my remote experience positive
- 59%
- 68%
- 57%
- 51%

Working virtually has more benefits than drawbacks for me
- 59%
- 67%
- 58%
- 44%

My remote work makes me feel more lonely or isolated than I might otherwise feel
- 35%
- 36%
- 34%
- 35%

*Percentages represent those who work virtually a majority of the time and select "strongly agree" or "agree" on a six-point scale.

Productivity and the employee experience

When it comes to productivity, employees say they are able to be fully productive. Primarily remote due to COVID-19, but not primarily remote prior (PRC) employees are slightly more likely to report higher productivity compared to pre-COVID-19. Three-quarters of all employees say they are almost always or often productive (78% for PRC employees), and 34% say they are significantly or somewhat more productive compared to pre-COVID-19 (38% for PRC).

While most employees say they are working about the same hours now as they did pre-COVID-19, about one-third (31%) of those who are newly remote say they are working more hours now — an average of one extra day (seven hours) per week. The reason: Most find themselves working when they would have been commuting. Not surprisingly, they also experience difficulty in separating work and personal time overall. For the minority (13%) who are working fewer hours, it is primarily due to having less work because of the pandemic or market impact.

Unfortunately, one in three employees (34%) are experiencing at least one symptom of burnout — though down from before the pandemic, it is especially acute among the youngest employees. With greater attention on mental/emotional health, increased working hours and "Zoom-fatigue," this will be important to address and manage for long-term productivity and reducing health risk.
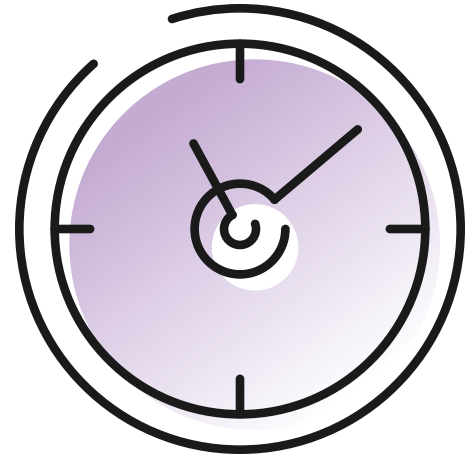
Total rewards stuck in neutral, but statements help

For all of the programs and innovative benefits many employers have implemented in 2020 as a response to the pandemic, they haven't made a big impact on perceptions of the total package. The perceived adequacy and competitiveness of rewards remain flat and have shown little movement for the past five years. Even more disappointingly, understanding of total rewards is at an all-time low (49%). Dropping from 77% in 2015, it's easy to argue that total rewards communication doesn't seem to be hitting the mark.

One bright spot comes from those with total rewards statements. In fact, 70% of employees said they have a print or online total rewards statement available. When a total rewards statement was available, we saw all numbers increase when it comes to understanding, appreciation and competitiveness. An increase across the board of at least 10 points demonstrates impact without even knowing the actual effectiveness of the statement. If employers go above and beyond showing a simple pie chart and are even more innovative in their statements, they may see an even larger return on the many programs they offer.

Total rewards perceptions

	All employees	Employees with a total reward statement
Have a good understanding of their total rewards	49%	61%
Say their overall total rewards meet their family's needs	55%	66%
Rate their total rewards above or well above others	37%	47%

Rewards aren't resonating in retail
In each area of total rewards, the retail industry employees have lowest perceptions.

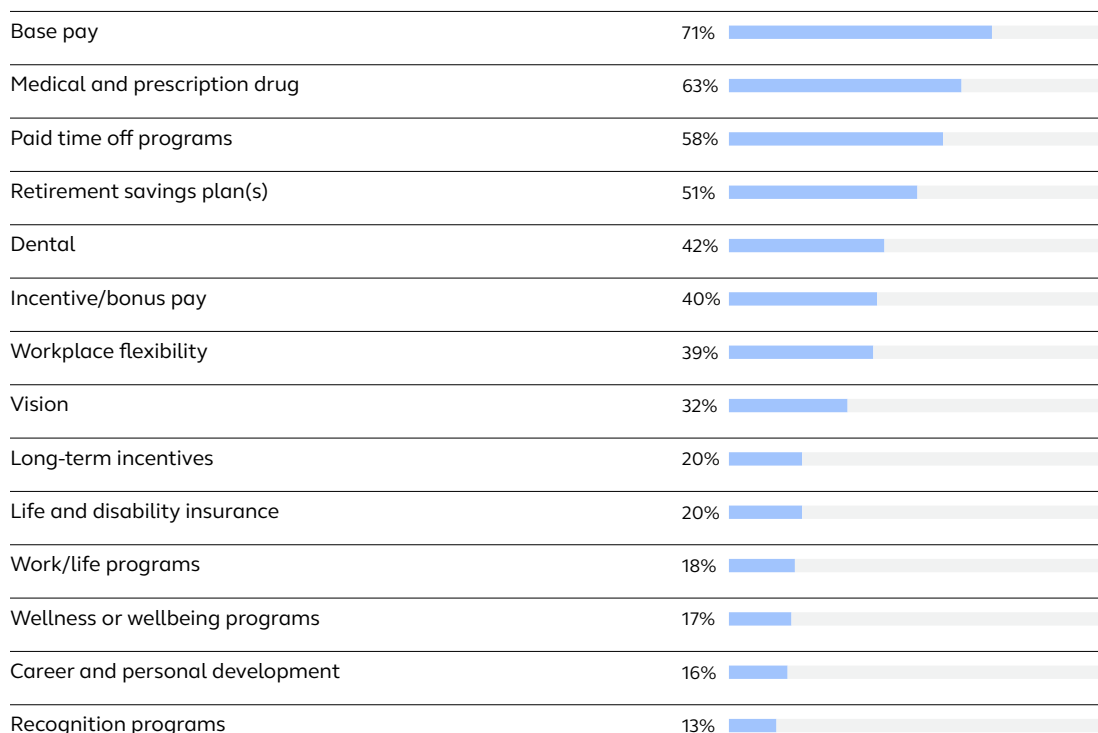|	
Understanding	36%
Perceived adequacy in meeting needs	42%
Rate above or well above others	27%

Relative importance of rewards

At the individual program level, we continue to see base pay, medical, paid time off (PTO), and retirement savings as the programs most often ranked in the top five most important to employees. Americans might not take all of their vacation — especially during a pandemic — but they do value having it available. While more employees rank medical, PTO, retirement, dental and vision in their top five than three years ago, many others have decreased in relative importance, including short and long-term incentive pay, flexibility, work/life programs (childcare, back-up care, convenience programs) and development programs.

As expected, older workers value medical and retirement benefits more than younger workers (though Boomers love a little R&R, valuing paid time off more than anyone else). A little less obvious? Younger generations value long-term incentives more than Gen X and Boomers.

What does Gen Z value?
They were the clear outlier in many cases, being more likely to rank flexibility and annual bonuses in their top five more than medical coverage, putting much more importance on wellbeing programs than any other category, and being less likely to put PTO in their top five in comparison to other generations.
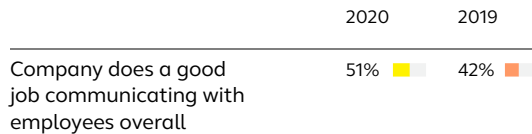
Relative importance of rewards (ranked 1, 2, 3, 4 or 5)

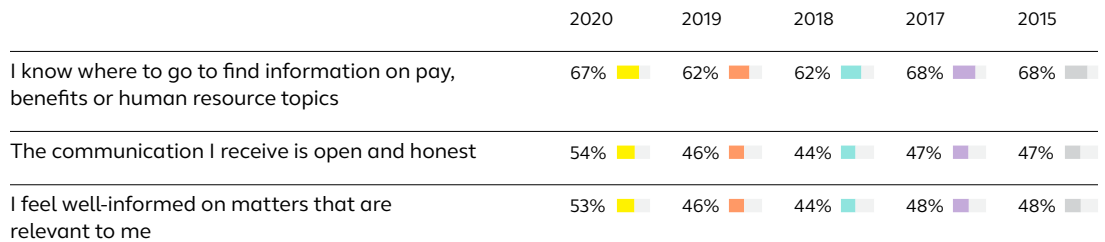|	
Base pay	71%
Medical and prescription drug	63%
Paid time off programs	58%
Retirement savings plan(s)	51%
Dental	42%
Incentive/bonus pay	40%
Workplace flexibility	39%
Vision	32%
Long-term incentives	20%
Life and disability insurance	20%
Work/life programs	18%
Wellness or wellbeing programs	17%
Career and personal development	16%
Recognition programs	13%

Improved communication perceptions follow pandemic-influenced volume

Regardless of their typical communication styles and approaches, companies have had to communicate more in 2020 than in past years — and there's been a positive ripple effect. More employees feel their employer is doing a good job communicating overall, with the biggest improvement being perceived openness and honesty of the messages (up eight points since 2019 and the highest level since 2015, the first year this question was asked).

	2020	2019
Company does a good job communicating with employees overall	51%	42%

Employees have appreciated the increased communication from employers related to the pandemic. What's worked well for many are the ongoing company updates and easy access to the latest information. Still, two-fifths of employees aren't sure where to go or don't feel well-informed. This means there's still room for improvement when it comes to pandemic-related communication and other disruptions that may occur in the future. For more about making your COVID-19 communication work, please take a look at the COVID-19 rapid response toolkit on our website.

**Communication perceptions***

|	2020	2019	2018	2017	2015
I know where to go to find information on pay, benefits or human resource topics	67%	62%	62%	68%	68%
The communication I receive is open and honest	54%	46%	44%	47%	47%
I feel well-informed on matters that are relevant to me	53%	46%	44%	48%	48%

*Figures represent those citing "strongly agree" or "agree" on a 6-point scale.

Complications of COVID communication
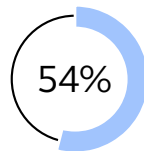
54% feel well-informed on company matters related to COVID-19 and its impact on work and business
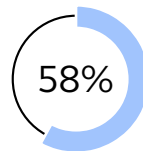
58% know where to go to find up-to-date information related to work, benefits and other impacts of COVID-19

> "
> My supervisor is staying home/working remotely while I physically go to work. This has impeded our communication.
> "

> "
> The mantra has been to communicate out important news and encourage people to do what they need to for themselves and their family.
> "

Improving technology with rising expectations

Overall, workplace technology perceptions are improving. Fewer employers are frustrated and more say their current work tech enables productivity, with increased availability and use of technology/tools helping them stay connected and productive.

Focusing on data and information transparency continues to be key. Only about half of employees trust their employer to use data about how they work appropriately and ethically. Alight's study reveals a similar comfort level when it comes to monitoring employees' health during a situation like COVID-19.

With HR-related technology, employees most prefer to make benefits, pay or other HR changes themselves on a website or through a mobile app. Having a virtual assistant or bot increases this appeal. But perceptions continue to be low with only four in 10 agreeing HR technology platforms are effective or easy to use.

	2020	2019
Have effective tools to communicate with other employees beyond email	56%	49%
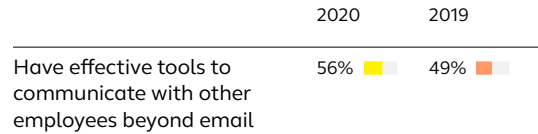
1 in 3

say their employer introduced new technology/tools for work and communication during COVID-19
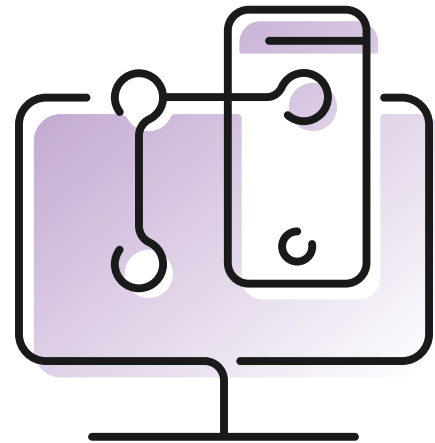
Technology transactions and trust

Preferred channels for making benefits, pay and other HR-related changes (ranked in top 3)

	2020	Gen Z	All Millennials	Gen X	Boomers
Web self-service with automated virtual assistant or bot	66%	51%	69%	69%	63%
Web self-service without virtual assistant or bot	59%	43%	64%	62%	53%
Mobile phone/tablet device self-service	58%	55%	54%	58%	67%
Submit online request to HR	48%	60%	54%	46%	36%
Call an HR contact/service center	44%	47%	37%	45%	54%
Text messaging	24%	44%	22%	20%	26%

Trusting my employer*

	2020	Gen Z	Emerging Millennials	Established Millennials	Gen X	Boomers
I trust my employer to use any data collected about how I work in an appropriate and ethical manner	54%	53%	**46%**	55%	51%	**58%**
If my employer were to use technology to monitor health status of employees in light of a situation like COVID-19, I trust my employer to use the data appropriately.	54%	55%	**47%**	56%	50%	**61%**

*Figures represent those citing "strongly agree" or "agree" on a 6-point scale.

Younger employee

Improve trust and deliver on wellbeing needs

Employees across all generations want more transparency and flexibility in their organizations. This is especially true for younger members of the workforce.

As much research has shown, the younger workforce values flexibility. They continue to struggle with achieving their desired flexibility and balance. The younger workforce wellbeing ratings are consistently lower compared to other generations, and this year, emotional and mental wellbeing has taken an extreme hit. Younger employees are less likely than their cohorts to feel they effectively manage their work and personal commitments (43% Gen Z, 57% Emerging Millennials) and less likely to feel supported by their employers (49% Gen Z, 54% Emerging Millennials).

Clear, consistent messaging and action is a critical factor in recruiting and engaging young talent. They are less likely to agree that their employer is doing a good job communicating, less likely to feel they receive relevant information, and slightly less likely to trust how employers may use employee data. And while understanding of employers' total rewards is at an all-time low overall, the numbers are especially troubling for Gen Z (47%) and Emerging Millennials (42%).

There may also be an issue with cause and culture drivers of the overall employee experience — just one-half or fewer of the younger workforce feel connected to their company's purpose/mission or feel the company values are consistently demonstrated by people. Just 40% of Gen Z and 44% of Emerging Millennials feel that their company talks and acts consistently, both within and outside the organization.

Note: Younger employees represent those in the Gen Z and Emerging Millennials cohorts and would be respondents who turned 18 to 32 years old in 2020.

Younger employee

Top desired employer characteristics

Gen Z	Emerging Millennials
Trustworthy	Balance (home/work)
Accountable	Ethical
Respectful	Honest
Fair	Continuously improving
Loyal	Trustworthy
Clear	Compassionate
Fun	Financially stable
Balance (home/work)	Accountable
Well-being oriented	Diverse
Coaching/mentoring	Respectful

Top differentiating employer attributes

Gen Z	Emerging Millennials
Takes a public stand on social and/or political issues	Provides better than average pay
Is a strong fit with my values	Is a fun place to work
Provides better than average pay	Has a flexible work environment
Is a fun place to work	Is a strong fit with my values
Provides better than average benefits	Encourages appropriate balance between work and personal life commitments
Is an innovative organization	Provides better than average benefits
Has a very positive reputation with customers/clients	Is environmentally and socially responsible

Adapting to the next normal

While COVID-19 will continue to directly impact all aspects of people's lives, it also has delivered lessons for the longer term.

This snapshot of employee perceptions from July 2020 is enlightening in itself, but provides the beginning of a blueprint for how employers address the path forward.
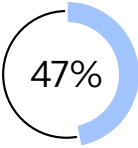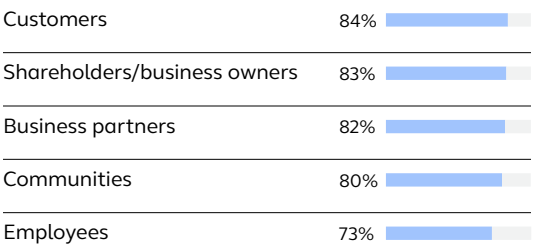
COVID-19 employer response mostly positive

The ongoing COVID-19 crisis has had many negative implications for employees and employers alike. But it doesn't mean that employees give their employers an initial failing grade by any means. Almost half say their employers' response to the pandemic made them feel better about their employer. Three-quarters (73%) say their employer has responded well to the needs of employees — though this was ranked the lowest among all stakeholders' employers had to consider.

While there are decent reviews, it's not all positive. Less than two-thirds feel safe and secure at work, know where to go for COVID-19 information or feel well-informed on COVID-19. Moreover, only half feel like personal circumstances are considered in their employer's response to the crisis.

Employers responded well to the needs of the following:

Customers	84%
Shareholders/business owners	83%
Business partners	82%
Communities	80%
Employees	73%

47% of employees felt better about their employer due to their response to COVID-19.

Workplace changes

While working from home gets a lot of the press, this isn't the "new normal" for many workers. Thirty-nine percent report they are hardly ever remote and another 12% say they are sometimes remote. And essential workers aren't the only ones. In fact, 49% of employees report themselves as essential and are required to go to their regular worksite to work during the pandemic. Another 27% say they are also essential, but not required to go into the workplace.
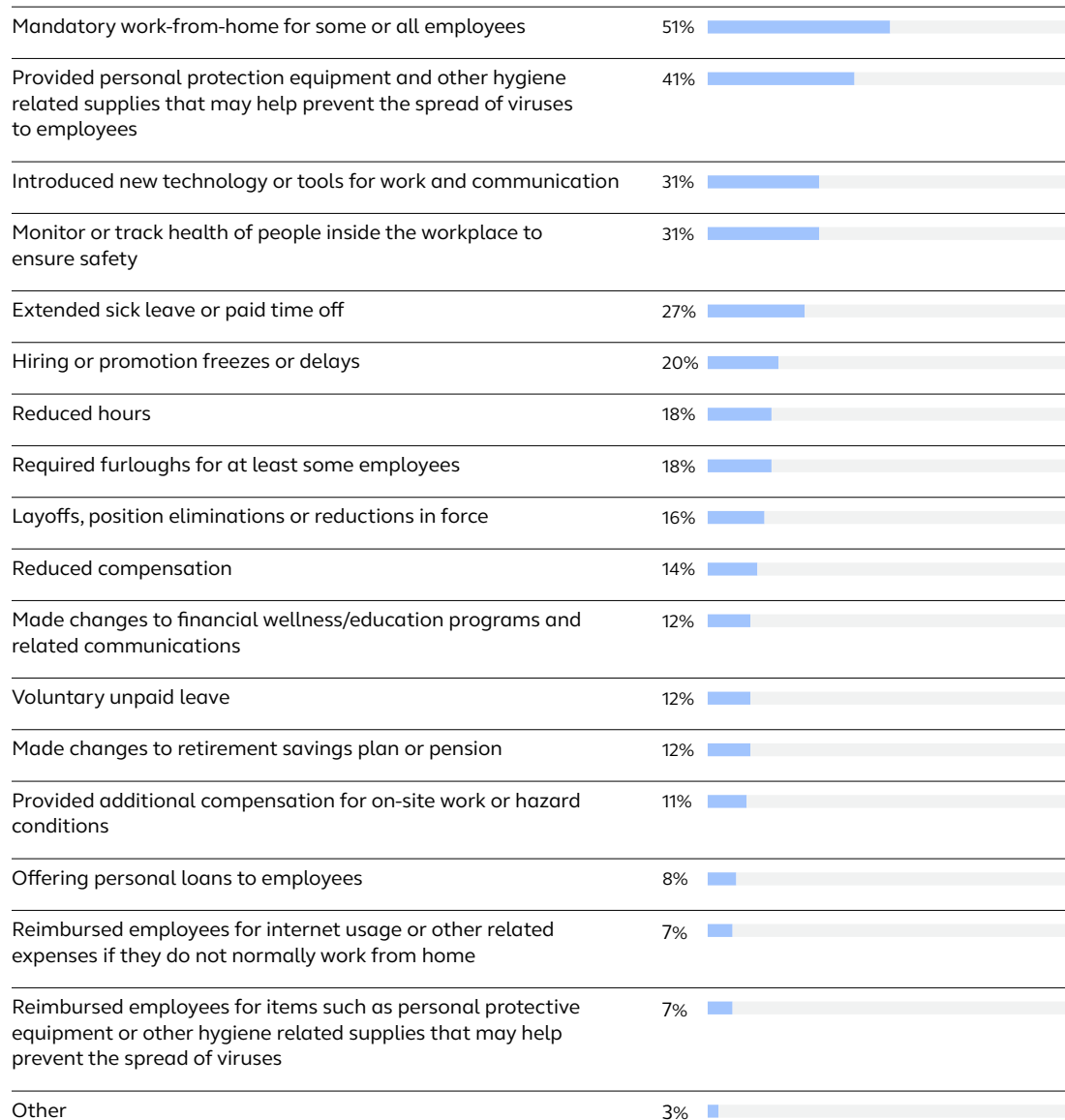
Mandatory work-from-home for some or all employees is the most common action taken by employers (51%), but it's not the only action. While there's been a lot of focus on what employers did in the first few months, employees report that many of the other actions taken were safety-related, with program changes or cuts reported less than a quarter of the time.

50% say the COVID-19 disruption affected the way they think about their job and employer.

Employer responses to the pandemic

Which of the following actions has your employer taken, or are currently taking, in response to COVID-19?

Mandatory work-from-home for some or all employees	51%
Provided personal protection equipment and other hygiene related supplies that may help prevent the spread of viruses to employees	41%
Introduced new technology or tools for work and communication	31%
Monitor or track health of people inside the workplace to ensure safety	31%
Extended sick leave or paid time off	27%
Hiring or promotion freezes or delays	20%
Reduced hours	18%
Required furloughs for at least some employees	18%
Layoffs, position eliminations or reductions in force	16%
Reduced compensation	14%
Made changes to financial wellness/education programs and related communications	12%
Voluntary unpaid leave	12%
Made changes to retirement savings plan or pension	12%
Provided additional compensation for on-site work or hazard conditions	11%
Offering personal loans to employees	8%
Reimbursed employees for internet usage or other related expenses if they do not normally work from home	7%
Reimbursed employees for items such as personal protective equipment or other hygiene related supplies that may help prevent the spread of viruses	7%
Other	3%

Health is top of mind for return to work

When considering returning to the workplace, people are most likely to be worried about getting sick (61%). However, when it comes to workplace safety for those continuing or already working on-site, the majority of employees say their employers are already requiring/increasing the use of personal protective equipment in the workplace as well as increasing sanitation protocols. Almost half say their employers are taking temperature checks of employees, adjusting the workspace to increase the distance between people and continuing/ expanding remote work options.

While 40% say they don't have any additional actions they'd like their employers to take, there are a few items that employees are most interested in adding, including requiring testing before people return to work (19%), followed by taking temperatures of people entering the building (16%) and adjusting the physical workspace to increase distance between people (16%).
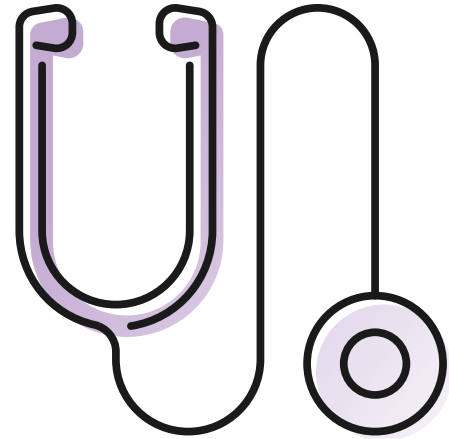
Social justice, equity and inclusion take center stage

Employers should resolve not to let the social purpose, social justice, and diversity, equity and inclusion efforts drop from their radar as these have a proven effect on the overall employee experience.

Over the past few years, employees were asked to what extent they felt their employer had a broad social purpose beyond the typical business objectives of great quality, customer service, revenue and profitability. This number has held steady in the high 60s with employees saying that their employer had at least a moderate social purpose. What has changed is that it's increasingly important to employees. Over half say broad social purpose is important, increasing five points from last year — this is even more important to Gen Z and Millennials (63%).

Most employees (60%) also think that taking a public stand can be a differentiator for an organization. Interestingly, public stances dropped from the number one differentiator last year to number six in 2020, with more people (40%) citing it this year as an expectation of any employer.

During the social justice demonstrations, about half of employees say their employer communicated about diversity and inclusion, but actions appear to drop off from there. A quarter of employees say their employer took no action at all.
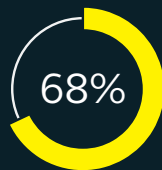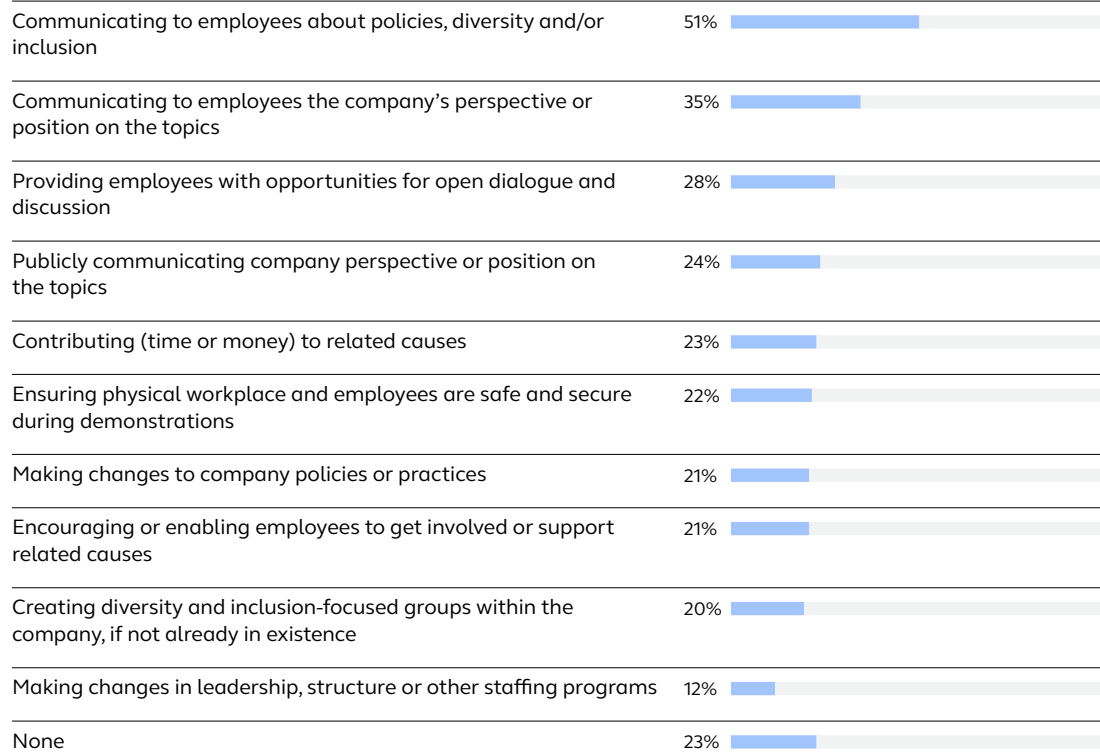
68% think their employer has at least a moderate social purpose.

58% say it's important that a company they work for has a broad social purpose.

Social justice actions vary and focus on communication

Actions taken by employers as a result of the social justice movements

| Action	Percentage
Communicating to employees about policies, diversity and/or inclusion	51%
Communicating to employees the company's perspective or position on the topics	35%
Providing employees with opportunities for open dialogue and discussion	28%
Publicly communicating company perspective or position on the topics	24%
Contributing (time or money) to related causes	23%
Ensuring physical workplace and employees are safe and secure during demonstrations	22%
Making changes to company policies or practices	21%
Encouraging or enabling employees to get involved or support related causes	21%
Creating diversity and inclusion-focused groups within the company, if not already in existence	20%
Making changes in leadership, structure or other staffing programs	12%
None	23%

Outlook for sustained social justice change is mixed

Four in 10 employees think that more needs to be done. This is particularly true for younger employees and minorities. When we asked employees what actions they'd like their employer to take, the responses focused on accountability, taking a public stance, creating a more inclusive and diverse environment and supporting employees.

Looking ahead, it's not clear that employees feel confident that these actions will stick. Only one-third of workers feel it's likely for the workplace to become more diverse in the next one to two years. However, it is more evenly split when employees were asked about senior management being more diverse and inclusive, with 24% not seeing that to be true any time soon.

I believe my employer has...
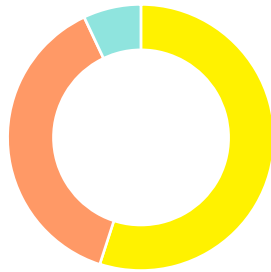
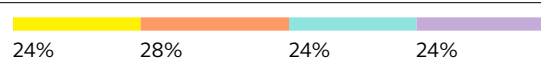|	
55%	done enough
38%	needs to do more
7%	has done too much

Employee outlook

- 1–2 years
- 3–5 years
- 6+ years
- Untrue

The workplace will be more diverse and inclusive and seek to better and more deeply understand each other	31%	29%	21%	19%
Senior management will be more diverse and inclusive	24%	28%	24%	24%

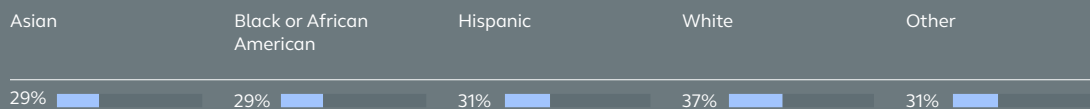# Race and ethnic identity in the workplace

The effects of 2020 are disproportionately challenging for people of color. COVID-19 cases, hospitalizations and death rates are higher for these populations. Unemployment rates are higher for both people of color and women, where Black and Hispanic females had 14% unemployment rates in July compared to 11% for white women and 9% for men. The rise of social justice demonstrations is also a tangible reminder of the impact of racism on our country. So, how is this playing out in the workplace? And just how different is the employee experience for communities of color?

From a health and safety standpoint, many people of color aren't anxious to get back to the actual workplace due to COVID-19. When considering return to work, these groups are more likely to be concerned about getting sick, insufficient health protocols, and inadequate PPEs (five percentage points higher than whites on each). This is particularly true for Black survey participants who are more likely to want employers to continue to expand remote work and are more interested in working remotely (91% versus only 82% overall). With COVID-19 hitting communities of color harder health-wise, it's no wonder there is an overall hesitancy.

As for employment and economics, people of color were twice as likely to be on furlough at the time of the survey compared to whites, and three times as likely to be part-time due to COVID-19. This certainly impacts economic and financial security in the short term, with people of color reporting lower ratings of their personal financial wellbeing and less confidence in their employer's Total Rewards being able to meet their/their family's needs. These immediate term differences may also ripple out over a longer duration. People of color are more likely to concerned with long-term job stability, particularly among Black and Asian employees. And, some groups are more likely to say it is the company's responsibility to support employees financially if impacted by major disruption, with over half of Black (54%) and Hispanic (52%) employees agreeing, compared to 46% of all employees.

	People of color	White
Concerned about long-term job stability	64%	56%
My employer's Total Rewards overall is meeting my/my family's needs	48%	58%

Positive perception of financial wellbeing by race/ethnicity

Asian	Black or African American	Hispanic	White	Other
29%	29%	31%	37%	31%

Race and ethnic identity in the workplace

In the area of social justice, people of color are more likely to say an employer having social purpose is important (67% vs. 54%), and even more so for Blacks and Hispanics. When it comes to the response to social justice demonstrations, these groups report lower instances of those actions than whites in almost all areas, and this is especially true for Black employees. This is consistent with the findings that when asked if an employee was proud of their employer's response, Black employees came in as the lowest group at only 37% agreeing versus 44% for all employees. Employers will want to consider additional and ongoing actions to address concerns.
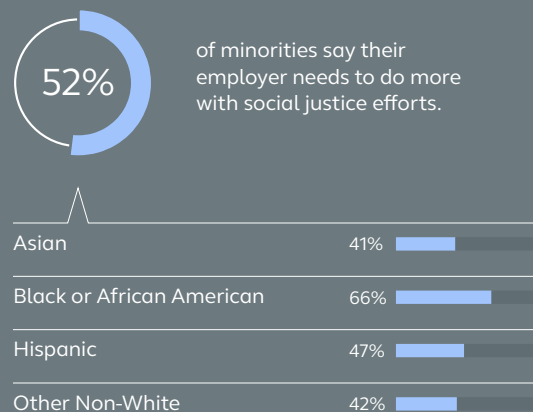
These types of disparities are certainly something for employers to keep an eye on as the overall push to ramp up diversity, equity and inclusion efforts. It can't just be about hiring and promoting, but also making the employee experience systematically equal and inclusive.

> " I want them to acknowledge where they have done wrong in terms of diversity and inclusivity and explain how they will do better. "

> " Step up to be a leader in showing what equality means by demonstrating equity through changing the policies to reflect the needs of people today. "

52% of minorities say their employer needs to do more with social justice efforts.

Asian	41%
Black or African American	66%
Hispanic	47%
Other Non-White	42%

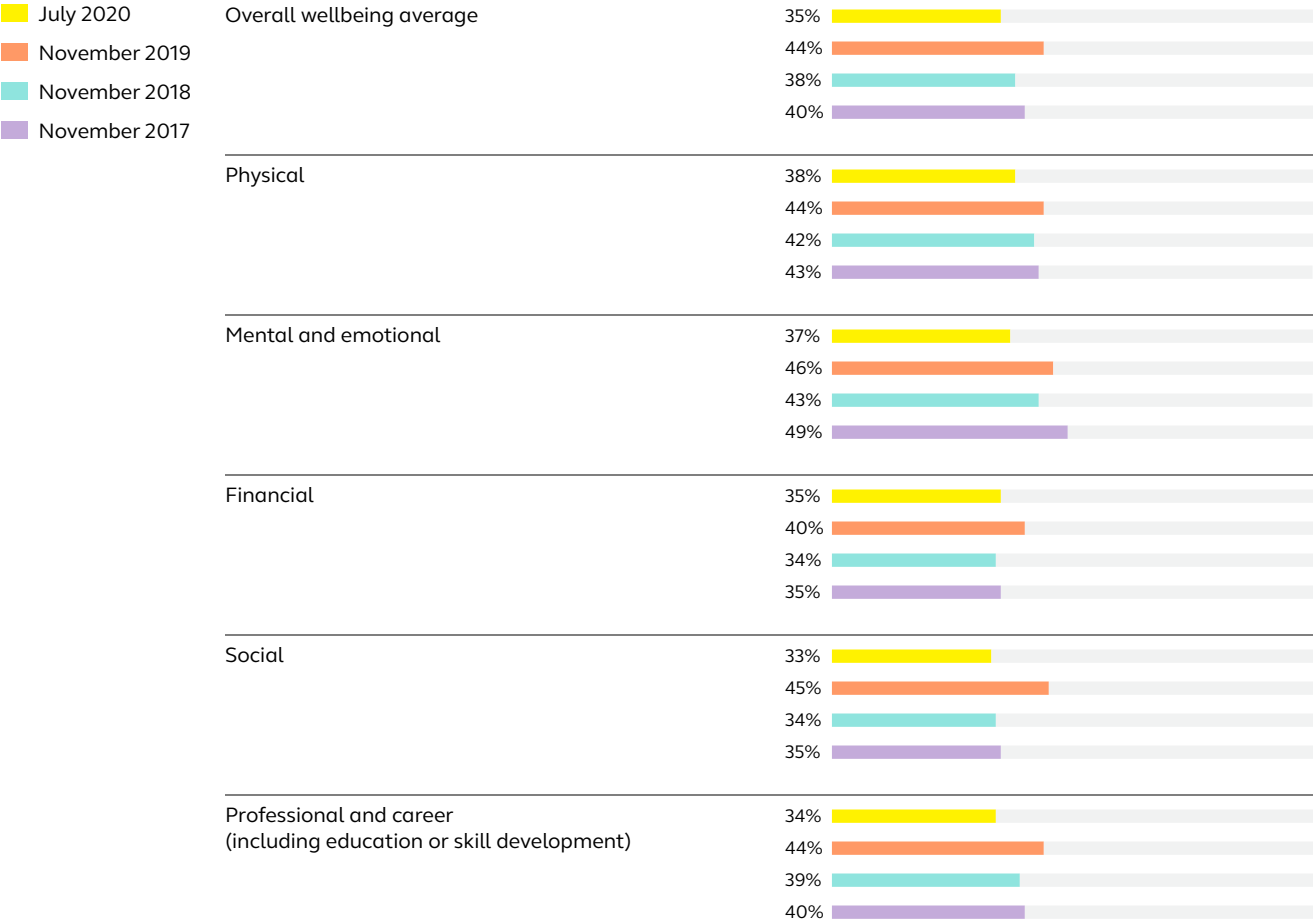# Wellbeing becomes more important and more challenging

Considering the current climate, it's no surprise that wellbeing has been challenged. Last year, 44% of people rated their overall personal wellbeing as positive; this year, only 35%. This trend has continued with sizable decreases from last year, and all-time lows in nearly every dimension.

When it comes to wellbeing, burnout and stress, it's important to remember this assessment was done in July. As the pandemic progresses and greater fatigue sets in with unknown implications to come, the trend for all categories of wellbeing could continue downward. We'll be monitoring the facets of wellbeing in more depth in our next Mindset Study set to be released in spring 2021 to see where that trend line takes us as the ripple effects of 2020 are likely to impact employees and employers well into 2021.
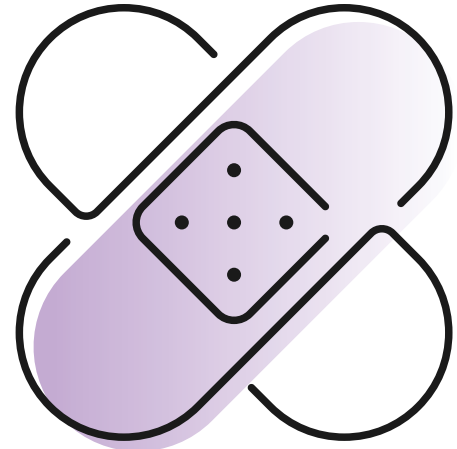
Looking across wellbeing dimensions

Employees' positive perception of their overall wellbeing and each wellbeing dimension*

- ◼ July 2020
- ◼ November 2019
- ◼ November 2018
- ◼ November 2017

Overall wellbeing average
- 35%
- 44%
- 38%
- 40%

Physical
- 38%
- 44%
- 42%
- 43%

Mental and emotional
- 37%
- 46%
- 43%
- 49%

Financial
- 35%
- 40%
- 34%
- 35%

Social
- 33%
- 45%
- 34%
- 35%

**Professional and career
(including education or skill development)**
- 34%
- 44%
- 39%
- 40%

Retail reeling
Again, the retail industry is taking the hardest hit. Employees in this industry were least likely to rate their wellbeing positively, followed by the combined internet, media, entertainment and leisure industry (which includes food and hospitality).

*Figures represent the percentage citing an 8, 9, or 10 on a 11-point scale where 0 = "Couldn't be worse" and 10 = "Couldn't be better." Results from 2019 and earlier come from Alight's Employee Wellbeing Mindset Study.

What it means and what we need to do

While there is a strong lure for a return to pre-pandemic times, the goal shouldn't be to revert to where we started. The events of 2020 accelerated trends already rising, shifted where and how millions of people worked and put important issues front and center in the workplace. It also shows us that while being rigorous and thoughtful in planning and actions has its place, employers can address unexpected needs and situations with agility, stand up tools and technology quickly, and deliver just-in-time experiences and connection points without a three-year roadmap. While we recognize the real challenges employees, their families and their employers still are facing, we can build on some of the positive outcomes of 2020.

Employers continue to meet the moment in so many ways. There are some positive trends and some good news in this year's study, and it's critical that we build on the momentum. There were also, not surprisingly, some weaknesses exposed, but it's not too late to begin a new, better chapter. The recent availability of vaccines provide another opportunity to support wellbeing as part of the employee experience. Start with these six imperatives to create an employee experience that embraces the future of work that is right in front of us.

1. **Ride the wave.** Remote work and true workplace flexibility became probable, not just possible. The strain on working parents is real. A spotlight illuminates social purpose as well as diversity, equity and inclusion efforts. A focus on employee wellbeing means more than an annual step challenge. Workplace safety has taken on new meaning. Communication from leadership became more real. These, along with the acceleration of digital transformation, retention of the inventive benefits that surfaced, compassion in the workplace, and a spirit of agility, are all worthy of being in the next chapter for employers. Take this opportunity to reimagine.

2. **Listen often.** Perceptions of communication received higher marks in 2020, partly because employers had no choice but to communicate more to deal with the pandemic, economic impacts and social justice movements. But true communication needs to be an ongoing dialogue. Organizations must check in frequently, listen openly and stay connected. Change is constant, so it's imperative that the conversation be ongoing to get an accurate read on what your people are feeling and responding in time to make a difference. The era of the annual surveys is over. While more frequent surveys are critical, create avenues for real discussion using online communities and other approaches — don't rely on input at a single point in time.

3. **Demonstrate empathy.** It's not a surprise that wellbeing is down across the board. Everyone is dealing with a lot. And while employees might be staying in their jobs during these turbulent times, it doesn't mean they aren't thinking about the future. An employer who thinks primarily of its

What it means and what we need to do

employees as a means of production and not as the complex, diverse, resilient and purpose-seeking human beings they are is likely to feel the negative effects down the road. Companies can be compassionate. Embedding and powerfully expressing a sense of real care and support into its programs, messaging and employer brand isn't just the right thing to do, it's the smart thing to do.

4. **Forget one-size-fits-all.** Employees have never been a monolith. Targeting and segmenting has been a hot topic for years. But this year has shown us it's even more critical to look carefully at important subgroups within your workforce. Understanding needs and drivers of your population is important in creating an optimized overall employee experience, but it's also acknowledging and reacting to the needs of special groups with targeted benefits, programs or communication. Employers must be more intentional about how they respond to the desires, concerns and requirements of frontline workers, virtual employees, working parents, younger generations, minorities or women, for example, or run the risk of alienating key talent you need today or tomorrow.

5. **Co-create your next employee experience.** Employee experience by nature can't be mandated. People want to be a part of the process. It means greater buy-in and acceptance when they know they have a voice that's valued. It also means that by involving a broader group of

employees (since one size doesn't fit all), you'll get a greater diversity of perspective and relevancy in the new experience, actions, policies and requirements. Getting more employees involved in the future of work provides increased ownership and accountability and goes a long way in making that future effective and successful.

6. **Stay agile.** Agility has become the buzzword of the moment. Indeed, employers and HR teams have proven that they can be nimble and adaptable. They have had to embrace new programs, identify new partners and implement new policies in addition to putting the technology in place to support it and communicating it quickly, clearly and empathetically. They have also had to change course and adapt as new issues surfaced and new information came out — the recent availability and distribution of vaccines is another opportunity to adjust and learn. Those new muscles can't atrophy once things stabilize. Building agility and flexibility into workforce planning, talent management and workplace technology must be part of the way we do business and support our people.

We cannot wait for things to settle down or the elusive return to normal. Employees are telling us what they want and need. It's up to us to listen, collaborate and take action. The next is now.

2,503
respondents

1,000+
U.S.-based employees per company

Employment status (non-furloughed respondents)*

Full-time	85%	
Part-time	15%	

Gender

Females	50%	
Males	50%	
Transgender	<1%	

Generation

Gen Z	10%	
Millennials	44%	
Emerging Millennials (born 1988–1996)	12%	
Established Millennials (born 1979–1987)	32%	
Gen X	26%	
Boomers	21%	

Family situation

Single, no dependents	36%	
Single, with dependents	7%	
Married/Domestic partner, no dependents	31%	
Married/Domestic partner, with dependents	26%	

*Note: 22% of total respondents were on furlough at time of data collection and answered a subset of questions. 13% had been furloughed at some point, but were back to work at time of data collection and answered all questions.

Race/Ethnicity

American Indian or Alaskan Native	<1%
Asian	4%
Black or African American	10%
Hispanic/Latino	15%
Middle Eastern or Northern Africa	<1%
Multi-racial	1%
White/Caucasion	69%

Personal income

<$25,000	12%
$25,000–$44,999	23%
$45,000–$74,999	30%
$75,000–$99,999	18%
$100,000 or more	17%

Company size

1,000–4,999	35%
5,000–14,999	28%
15,000–24,999	8%
25,000 or more	29%

Tenure

<2 years	25%	
2–<6 years	26%	
6–<10 years	17%	
10–<20 years	20%	
20 or more years	12%	

Industry of employee

Business services and construction	11%	
Financial services and insurance	9%	
Healthcare	16%	
Manufacturing and energy	14%	
Media, entertainment and leisure	5%	
Public sector	10%	
Retail and wholesale trade	19%	
Technology	10%	
Utilities and telecommunications	6%	

CONTACTS

We at Alight Solutions are grateful to have the opportunity to bring you insights into the employee experience for the sixth year. Feel free to contact us if you would like to discuss any aspect of the research or to help you design your own fulfilling and inspiring experiences.

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