



The 2023 Future of Working and Learning Report:

SHIFTING EMPLOYEE-EMPLOYER DYNAMICS

GLOBAL RESEARCH PARTNERS



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Executive Brief

The assumptions leaders have held about where and when work happens, why workers select and stay with an employer, and what it takes to support employees' work and well-being is shifting at a rapid pace.

Worker, Workforce, Workplace, Work

Our global survey of more than 1,300 respondents explored questions like these.

 Worker	 Workforce	 Workplace	 Work
<p>What is the 'New Deal' of benefits workers expect from their employer?</p> <p>Which segments are most likely to leave their current position and why?</p>	<p>What are the shifting needs of the workforce?</p> <p>How are companies meeting these needs?</p>	<p>What is the new role of the office today?</p> <p>How are companies making the office 'commute worthy'?</p>	<p>What are the top priorities for 2023?</p> <p>How are companies supporting a flexible work environment?</p>

KEY FINDINGS

1. Investing in Employee Well-being Is Expected, and It Pays Off for Individual Workers and Businesses.

2. Frontline Workers and Knowledge Workers Need and Want More Upskilling and Career Development.

3. Returning to the Office Needs to be Purposeful and Worth It for Both Employee and Employer.

4. Hybrid is Here to Stay, and Companies and Workers Are Still Learning How to Succeed with Hybrid Work.

This report details how organizations are challenging assumptions and old ways of working and learning. It also demonstrates the shifting expectations workers have of their companies and how this is influencing what organizations can expect from their employees. From adding creative benefits and being more intentional about designing a workplace that attracts employees to better equipping workers and managers for flexible working, organizations can gain a competitive advantage in this new world of work.

“There was a time not so long ago when people did not make a daily decision about where, when, or why to work. Schedules were set, people went to the office for work, and what employees expected from their job and their employers was simpler – a paycheck, health care benefits, and some training. Post-pandemic, everything has turned inside out.”

~ Jeanne Meister,
Executive Vice President,
EXECUTIVE NETWORKS

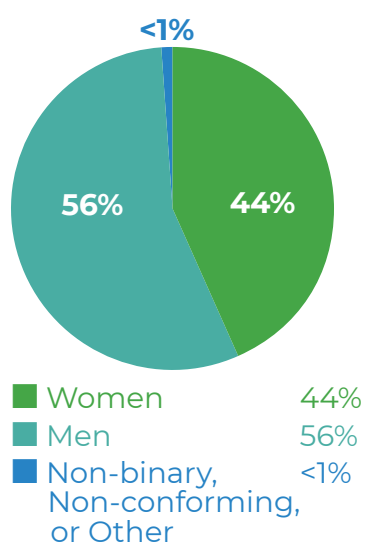
ABOUT THE RESEARCH

We set out to understand the current perspectives of workers and business leaders on working and learning in this post-pandemic world. We started with an in-depth discussion with focus groups of senior HR and business leaders, followed by an online research study.

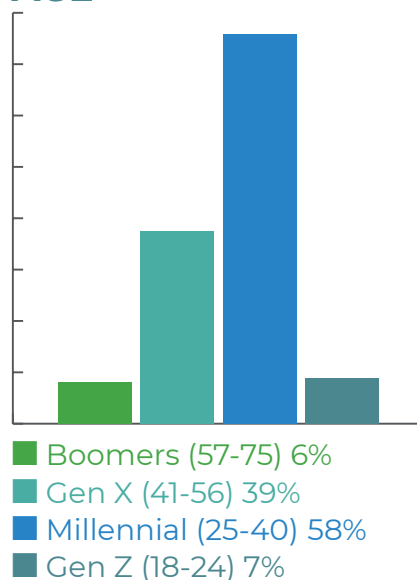
We surveyed 1,301 individuals across North America, India, and Europe, who work in varied industries and roles and from all sizes of organizations.

Demographics

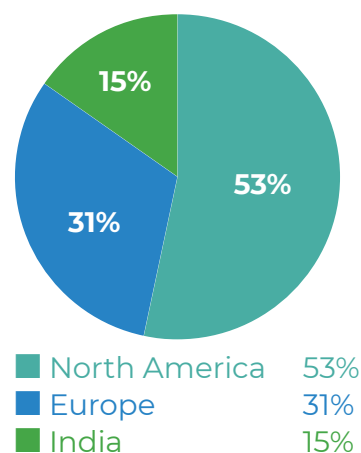
GENDER



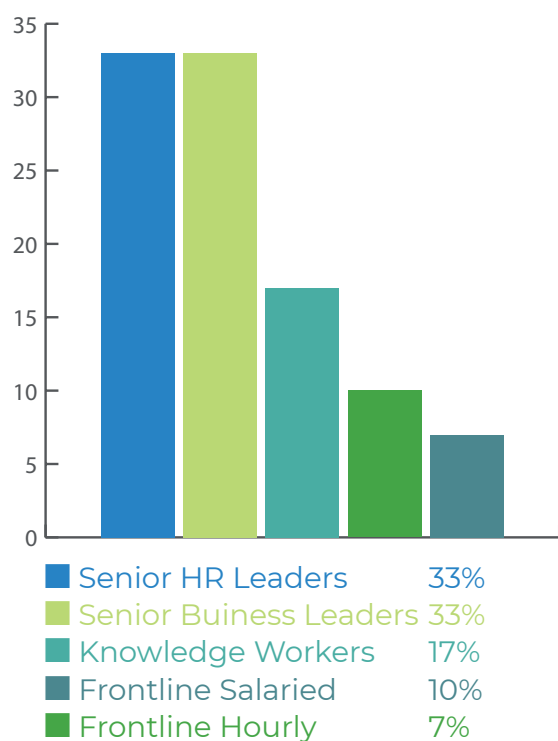
AGE



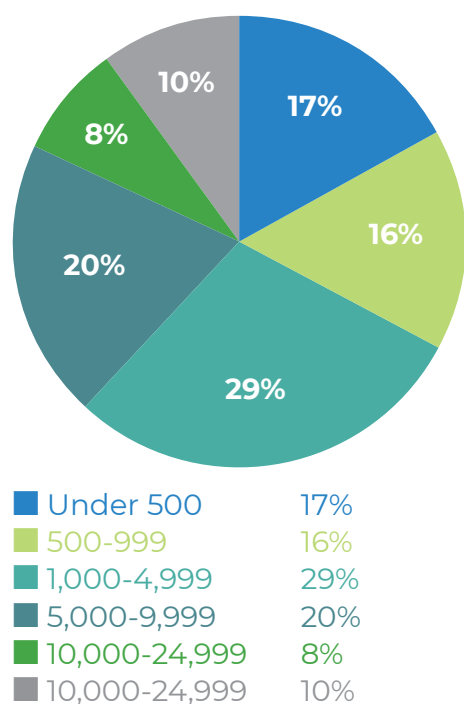
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ROLE



SIZE OF ORGANIZATION



Key Findings

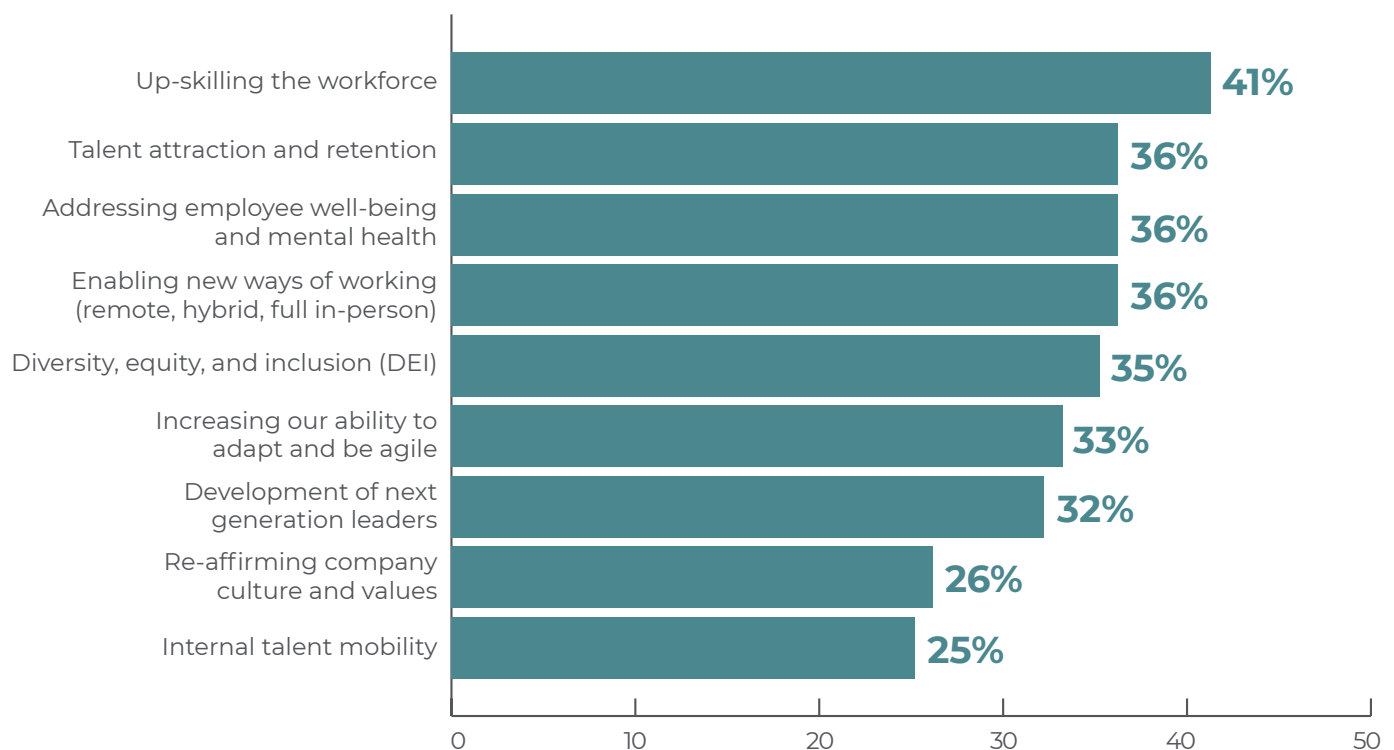
We started our research by probing the most critical areas senior HR and business leaders were focused on for the success of their organizations in 2023.

Through our research, we uncovered detailed findings in the following areas:

- Changing expectations and challenges in how work gets done.
- The New Deal workers want with their employer.
- The shifting needs of various segments of the workforce from knowledge workers to frontline workers.
- The evolving role and purpose of the workplace.

While upskilling the workforce was the top area, as shown in Figure 1, the next three areas of priority for both HR and business leaders were **talent attraction and retention**, **addressing employee well-being and mental health**, and enabling **new ways of working** (remote, hybrid, fully in-person).

Areas Critical to Organizational Success in 2023



1: THE WORKER

The New Deal: Investing in Employee Well-being Is Expected, and It Pays Off for Both Individual Workers and Businesses

KEY THEMES

Employees expect employers to support all aspects of their well-being, from physical to financial to social emotional, along with career development.

There has been a dramatic redefinition and expansion of employee benefits and total rewards.

Workers confirm they perform better when they are healthier and more supported by their managers and organizations.

The past few years have taken a toll on worker physical and mental well-being. Many employees are struggling with burnout and are looking to their employers for help. Others are simply leaving their jobs or even their careers.

Employees offer insight on why people are leaving their employers. For our respondents, factors related to well-being topped the list. When asked what factors are most influencing why employees are leaving their companies, “experiencing stress and burnout” was in the top three for both men and women and for every job role. For frontline workers stress and burnout topped the list – ahead of previous top reasons such as wanting more compensation or being unhappy with their manager or team.



TOP FIVE REASONS WHY EMPLOYEES ARE LEAVING COMPANIES, BY ROLE

We asked, “What do you believe are the major contributing factors to why employees are leaving your organization?”

FRONTLINE WORKERS	1. Employee stress and burnout: 49% 2. Wanting more compensation and/or benefits: 42% 3. Feeling underappreciated in their current job: 34% 4. Balancing their work lives and their home lives: 32% 5. Lack of career advancement and development opportunities: 30%
KNOWLEDGE WORKERS	1. Employee stress and burnout: 49% 2. Wanting more compensation and/or benefits: 42% 3. Feeling underappreciated in their current job: 34% 4. Balancing their work lives and their home lives: 32% 5. Lack of career advancement and development opportunities: 30%
SENIOR HR LEADERS	1. Employee stress and burnout: 49% 2. Wanting more compensation and/or benefits: 42% 3. Feeling underappreciated in their current job: 34% 4. Balancing their work lives and their home lives: 32% 5. Lack of career advancement and development opportunities: 30%
BUSINESS LEADERS	1. Employee stress and burnout: 49% 2. Wanting more compensation and/or benefits: 42% 3. Feeling underappreciated in their current job: 34% 4. Balancing their work lives and their home lives: 32% 5. Lack of career advancement and development opportunities: 30%

Relatedly, “**feeling under-appreciated in their current job**” and “**balancing their work lives and their home lives**” were also commonly called out across roles as reasons employees were leaving.

Women have concerns. While the women we surveyed rank ordered the same as men on factors influencing employees leaving their companies, more women than men called out stress and burnout, as well as balancing work and home.

Why Are Employees Leaving?

4 out of 10 Women Surveyed Say Employee Stress and Burnout



According to the [Women in the Workplace 2022](#) study from McKinsey and Lean In, women leaders are not only leaving their companies at higher rates than before, but the gap between women and men leaders quitting is the largest it's ever been. "To put the scale of the problem in perspective: for every woman at the director level who gets promoted to the next level, two women directors are choosing to leave their company."

When it comes to roles, HR Leaders (41%) were much more likely to say that they are likely or very likely to consider leaving their current employer in the next year while only 29% of business leaders (29%), 19% of knowledge workers, and 22% of frontline workers were.

Percent that are likely or very likely to leave their current employer	HR LEADERS 41%	BUSINESS LEADERS 29%	KNOWLEDGE WORKERS 19%	FRONTLINE WORKERS 22%
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In addition to being the most likely group to leave their current role, 37% of HR leaders also shared they are having trouble balancing their work lives and home lives, a higher percentage than any other worker segment.

Our findings track with another recent research study. According to the Gallup 2022 Global State of the Workplace, 44% of people stated they felt stressed at work for most of the day. Additionally, the [American Psychological Association reported in 2022](#) that 81% of workers surveyed said they will be looking for workplaces that support mental health in the future.

As the [recent U.S. Public Health Service report on workplace mental health](#) from U.S. Surgeon General Vivek H. Murthy said, "The pandemic also sparked a reckoning among many workers who no longer feel that sacrificing their health, family, and communities for work is an acceptable trade-off. Organizations are also increasingly aware of another trade-off: when the mental health of workers suffers, so does workplace productivity, creativity, and retention."

Voice of the Worker: Employees Value Employer Focus on Well-being and Mental Health

"The most positive change since the pandemic is my company's commitment to employee wellbeing. We now have opportunities to discuss mental health and more mindfulness activities."

—Millennial woman based in the UK, frontline worker

"The company has been more careful about employee's health and does respect the fact that an employee makes it to work even if there are social obstacles; they value employees since the pandemic."

—Boomer woman based in India, knowledge worker

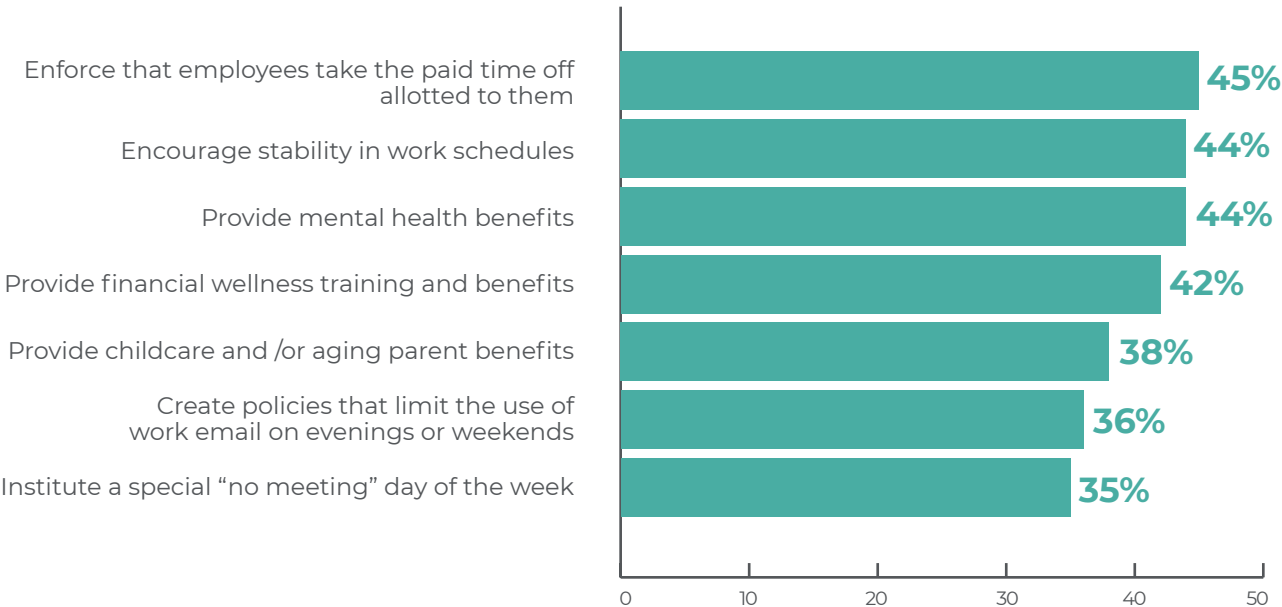
Companies have redefined total rewards and expanded the benefits that they offer across the employee experience.

Organizations are offering more inclusive employee well-being benefits and creating policies that support workers and attract and retain diverse talent. In addition to traditional physical health benefits and paid time off, companies are offering a much broader range of ways to support well-being for employees and their families.



Expansion of Employee Benefits and Policies to Support Employee Well-being

Percent of HR Leaders who said their organizations offered these benefits today



Both leaders and workers made the point that more physical and mental wellness benefits help individuals and organizations. When people feel supported and well, they are more productive in their jobs.

We heard from numerous frontline and knowledge workers that providing the right benefits to employees gets them to stay in the company. And beyond explicit mental health benefits, many companies now provide benefits aimed at reducing stress for employees – from financial wellness training and benefits to ensuring more predictable work schedules.

Companies taking care of the whole family, not just the employee, and not just traditional health benefits, is a notable trend.

Employees told us they rely on benefits for their whole family, the expectation is that more companies will offer these benefits.

Providing childcare and/or aging parent benefits is one area companies are focusing on. More than half (51%) of respondents in India said their employer provides childcare and/or aging parent benefits. We also heard that more women (44%) expect childcare and/or aging parent benefits from their employer by 2025 than men (35%).

One expansive example is PwC's \$2.4 billion investment dedicated to improving the well-being of its workforce. The program, My+, offers generous employee-empowerment policies and programs to everyone. Each person will be treated uniquely, based on their needs and aspirations. For example, if a parent has childcare issues, the person may – without fear of prejudice or judgment – ask for a tailored work schedule. And professionals are free to shift the way they operate and can continually customize their work lives to what works best for them at different stages of their career.



Delta Airlines has appointed its first Chief Health and Well-being Officer, reporting directly to the Delta Airlines CEO. Under the guidance of this Chief Health and Well-being Officer, Delta embarked on a large survey of 24,000 global workers followed by a series of 250 qualitative interviews to understand the health and well-being of the Delta workforce.

Some of key employee well-being initiatives that have resulted from this survey include:

- **Expanded the focus on mental health treatment by offering Delta employees and their household members twelve free counseling sessions per year (an increase from seven).**
- **Piloting a healthier food footprint by incorporating healthier and more affordable food options in Delta cafeterias and break rooms.**
- **Offering new financial education programs that incentivize Delta employees to work with coaches to improve their personal finance skills such as budgeting, credit, management, and savings.**

Both PwC and Delta Airlines point to the future where employee well-being is no longer a perk, but a human imperative with business impact on employee engagement, satisfaction, and retention.

2: THE WORKFORCE

The Shifting Needs of the Workforce: Frontline Workers and Knowledge Workers Need and Want More Upskilling and Career Development

KEY THEMES

Leaders and workers see upskilling as most critical to their organization’s success.

Frontline and knowledge workers especially want more training and career development.

Employees are looking for targeted, applicable development for now and for the future.

Despite so many other priorities in 2023, **upskilling** tops the list of what’s most critical for organizations right now.

While enabling new ways of working (36%), supporting mental health (36%), and retaining talent (36%) were all important, 41% of senior business and HR leaders said **upskilling** the workforce was the most critical for their organization’s success in 2023.

Upskilling the workforce is most critical area for organizational success in 2023



Expanding the development opportunities for workers at every level will make organizations more agile and help them attract and keep talent.

Frontline workers and knowledge workers, especially, are looking for more development opportunities. Nearly half (45%) of knowledge workers and 30% of frontline workers believe people are leaving their company due to lack of career advancement and development opportunities. Whatever their role, most of our respondents agree that skills-based training can be used as a recruiting and retention benefit for employees.

Percent that believe skills-based training should be used as a retention tool	HR LEADERS 83%	BUSINESS LEADERS 79%	KNOWLEDGE WORKERS 76%	FRONTLINE WORKERS 77%
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“It’s not only knowledge workers looking to develop new capabilities and advance their careers. Our frontline workers want to build skills not just for this job, but for future roles they may have. They are looking to us for career development guidance and upskilling across leadership and technical skills.”

– Vice President, Global Talent Management, WestRock Company



Development can’t just be for senior talent. Leaders need to consider an individual’s career aspirations alongside an organization’s skill gaps.

Workers expect their employers to prepare them for the demands of their current job and their next career opportunity. This could be inside or outside their current company. When it comes to career development opportunities, more than half of both knowledge workers and frontline workers would like employer-funded certifications in an area of their choice, as well as opportunities to cross train for new positions within their companies.

Just over half of knowledge workers also want access to a suite of online courses offered by their employer. More than half of frontline workers would like in-person training with subject matter experts.

These flexible and targeted development options were more attractive than reimbursement for higher education courses, which 35% of knowledge workers and 37% of frontline workers selected, or access to online coaching – wanted by 24% of knowledge workers and 31% of frontline workers.

The Career Development Workers Want Most

Frontline workers are looking for:	Knowledge workers are looking for:
In-person training with SMEs Cross-training for a new job Employer-funded certifications	Cross-training for a new job Employer-funded certifications Access to employer-funded online courses

McKinsey's research into the Great Attrition shows a primary driver of quitting is that employees do not have opportunities to learn new things or grow and develop in their careers. Employers should take a test-and-learn approach and start where the need is greatest and invest in learning and development so employees build brand transferable skills. ([A Call to Action: Provide Employees With Room to Grow](#))



Voice of the Worker: Workers Expect Career Skills Development

"My company is now offering more specialized skills development like training on bitcoin technology. This is great for my career."

*–Gen Z man based in the US,
knowledge worker*

3: THE WORKPLACE

The Evolving Role and Purpose of the Office: Returning to the Office Needs to be Purposeful and Worth It for Both Employee and Employer

KEY THEMES

Most employees don't see their companies making coming on-site for work worth it.

People believe career advancement suffers for those working remotely.

Employees say greater autonomy leads to better productivity and performance.

The majority of knowledge workers don't see the point in going to the office. Many workers are voicing a need for employers to make coming to the office “commute worthy.”

Only 28% of knowledge workers say their company is making it worth it to come into the office.

In fact, research devoted to this topic among 1,000 knowledge workers, [finds seven out of ten workers say they would rather look for a new job than return to the office](#). This number is higher for Gen Z workers, where nearly 80% say they would look for a new job rather than return on-site to an office.

How are employers responding to this? From perks to pay increases, companies are trying new incentives to make coming into the office more purposeful and intentional.

Still, less than one third of employees see their company doing anything to make coming into the office worth it. Just over a quarter of knowledge workers that we surveyed say their company is doing anything to make it worthwhile for employees to come into the office compared with more than two thirds of senior business leaders.

*See Chart 'IN-OFFICE ATTRACTIONS,' page 17



Is Interaction with Colleagues a Draw to the Office? Not for Many

Not every employee wants the same work experience. Getting more interaction with family and friends outweighs the value of human interaction of working in-person for most leaders and many workers.

Does getting more interaction with family and friends when working remotely outweigh the human interaction with co-workers when working in-person?	HR LEADERS	BUSINESS LEADERS	KNOWLEDGE WORKERS	FRONTLINE WORKERS
	YES 62%	YES 70%	YES 52%	YES 40%

More than half of frontline workers (52%) said being fully in the office/on-site was best for career advancement, much higher than all other employee groups. And 71% of senior HR leaders and 62% of senior business leaders agree or strongly agree that there's likely a 'proximity bias' between the in-person and remote/hybrid workforce.

Nearly 3 out of 4 senior HR leaders agreed there is likely proximity bias.

Frontline workers want more flexibility in choosing a schedule that works best for them.

Frontline workers told us that having more control of when and where they work leads to better productivity and performance. And people feel strongly about this. A [2022 survey conducted by ZipRecruiter](#) reported that job seekers said they would take a 14% pay cut to work remotely.

Employers must realize that there is a tension between employees who can perform their jobs remotely and who desire flexibility, and employers concerned about the overall impact of flexibility on performance. This does not need to be contentious. Both employees and employers need to understand where flexibility and performance decisions impact one another and find optimized solutions for both.

Voice of the Worker: In-Office Attractions

We asked the open-ended question: “What can organizations offer to make it worth it to come into the office?”

Here’s what we heard.

- “Expanding training and mentoring for those who come to the office.”
- “Engaging in daily team and team leader check-in with coaching.”
- “Experiencing more emotional and well-being support in person.”
- “Having access to better technology at work sites.”
- “Having shorter shifts or workdays for those doing the commute.”
- “Encouraging walking meetings at lunchtime.”
- “Having employees choose our own schedule.”
- “Setting up gatherings or events so we get to interact with colleagues socially.”
- “Funding transportation to/from the office.”
- “Providing a great environment and facilities in the office.”
- “Using the workplace to hold charitable events for causes important to employees.”

As employers grapple with return to office plans, they must realize return to office policies are not “one size fits all.” Employers must first recognize that the inherent push and pull of flexibility and performance between employers and their employees is really an opportunity to start addressing questions like, how can:

- How can organizations both optimize flexibility and performance?
- How are employers communicating the “why” behind coming to the office?
- What is the messaging around which job roles are in-office, hybrid, or remote?
How is this communicated?
- How are employee needs listened to and heard regarding returning to the office?
- Are frontline managers equipped to have meaningful discussions about flexibility and performance with their teams?



4: THE WORK

Hybrid is Here to Stay, and Companies and Workers Are Still Learning How to Succeed with Hybrid Work

KEY THEMES

Longer and less predictable hours are contributing to attrition.

Flexible work options are not equitable.

People don't know how to work effectively across different environments.



Employees at every level see working hours – especially the unpredictability of hours – affecting talent retention.

When it comes to workload, 27% of the people we surveyed say that employees working longer or less predictable hours is a top contributing factor to employees leaving their company. This was nearly equal across frontline workers, knowledge workers, and senior leaders surveyed. Knowledge workers describe working longer to absorb the work of departing colleagues. Frontline workers call out frequent changes to their schedules and not knowing what hours they will have week to week.

While most organizations offer some flexible work options, there is a divide between what's available to senior leaders and flexibility offered to other employees.

Well over a third of senior HR and business leaders say they can work a four-day week for the same pay, while only 29% of frontline workers and 16% of knowledge workers say the same. As companies rethink what makes a workweek, many aren't extending flexible options to all employees.

While slightly higher at enterprise organizations (53%), many companies still aren't offering the ability to work in a hybrid fashion if the job does not require being in-person. Just over half of all knowledge workers (51%) and senior business leaders (51%) surveyed said they had the option to work hybrid. For frontline workers, it was only one in four (24%).

Organizations think they are providing guidance on hybrid work, but most employees don't see it.

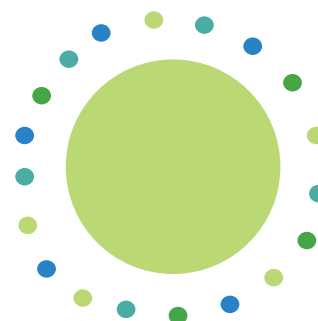
Overall, 26% of respondents said their employer does not offer clear guidelines for working successfully in different environments. Another 19% weren't sure if guidelines existed or thought they were unclear.

Plus, leaders and employees disagreed about how much guidance is given about flexible work. While 71% of senior HR leaders say their organizations have guidelines for how to work successfully in different work environments, only 29% of knowledge workers and 35% of frontline workers say the same.

GUIDELINES FOR FLEXIBLE WORK?

7 out of 10 HR leaders say their companies offer them.

Only 3 out of 10 knowledge workers say the same.



Chief Orchestration Officer, Hybrid Strategy and Team Solutions for Cisco Tiffiney Fort advises companies to start by defining the continuum of their hybrid work model and agreeing to guidelines for teams. At Cisco this ranges from hybrid on-site first, hybrid off-site first, and hybrid mixed, combining both on-site first and off-site first on a weekly or monthly basis.

“Start by discussing how employees can balance their well-being, engagement, and productivity,” Fort says. “We have learned not to start by discussing how many days per week people should work in or out of the office at all.”

Voice of the Worker

“Working remotely has actually improved productivity and overall well-being of all employees.”

—Gen X man based in the India, knowledge worker

“Remote work for the right positions can improve results and productivity, but we need more training on virtual meetings and working remotely.”

—Boomer woman based in the US, knowledge worker

Predictions: By 2025...

By 2025: Organizations and their employees will collaborate to create flexible performance guidelines that work for individual workers' job roles and help achieve the organization's performance metrics.

Today, only half of those surveyed across roles said they had flexibility in where they work and only 48% said they had flexibility in when they work. Work flexibility is becoming a key criterion for accepting and staying at a job. This expectation has changed since the pandemic, and organizations would be wise to understand the push and pull and develop consistent guidelines for flexible work practices aligned to job roles and communicate the “why” behind them.

By 2025: Through thoughtful design plus perks, organizations will create workplaces that make going to the office valued and purposeful for employees.

Nearly a third of those surveyed said their employer wasn't doing anything today to make it worth it to come into the office. Companies should adopt a “design for optimization” approach, where going to the office is purposeful and has meaning for each individual worker.

By 2025: Nearly all organizations will offer mental health benefits and support to employees and their families.

Only 44% of HR leaders told us their organization currently offers mental health benefits to employees and their families. According to the World Health Organization, “A negative working environment may lead to physical and mental health problems, harmful use of substances or alcohol, absenteeism and lost productivity.” Hence companies will invest in not only the mental health of their employees but mental health support for the entire family unit.

By 2025: Transparency will be a cultural norm in all aspects of the employee experience – from pay transparency to transparency in skills needed to grow in their career.

Today, pay and salary transparency exists for senior business leaders (62%) much more than for knowledge workers (35%) and frontline workers (44%). Providing pay transparency will provide companies with a means to narrow the gender pay gap and foster an engaged work culture that leads to building trust throughout the organization.

By 2025: Investing in learning and development will include both knowledge workers and frontline workers as the war for talent heats up for both segments of the workforce.

Frontline workers we surveyed were most likely to say that lack of career advancement and development was a reason for leaving. There are 11 million “deskless” jobs in the U.S. that are unfilled and cannot be performed remotely. Investments in development and career growth needs to consider both segments of the workforce. This includes not only formal training but opportunities for internal talent mobility and training of managers to be “frontline teachers of their team members.”

Actions to take

 Worker	 Workforce	 Workplace	 Work
<p>Benchmark your total rewards package to ensure you are offering a holistic set of benefits spanning well-being benefits addressing physical, mental, financial, social, and career well-being. Open channels for listening so you can uncover key employee stressors and offer ways to reduce stress and improve productivity of your teams.</p>	<p>Expand learning and development options for both knowledge workers and your frontline workers. Offer both formal talent mobility and training of frontline managers so career development is democratized across the organization.</p>	<p>Understand that there is a push and pull between flexibility and job performance. Both employees and employers need to find ways to optimize being in the office when it truly matters. This is not a “one size fits all” approach, but rather a strategic choice. Leaders need to help their teams find the best way to express what’s working and what’s not. They also need to work together to agree on what good performance looks like for each job role in this evolving workplace.</p>	<p>State clearer policies, share what success as a hybrid and remote worker looks like and guide managers in having the critical conversations with team members about how they can adopt new ways of working. Offer coaching and leader development specific to leading hybrid teams and mandate regular performance conversations to reduce proximity bias.</p>

Acknowledgements



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ADDITIONAL CONTRIBUTORS

We would also like to thank the member companies of the Future Workplace Collaborative who gave their time to propose questions and suggest key themes to explore for this research. Participating organizations include but are not limited to:

- _____ **Anglo American**
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- _____ **Ramboll**
- _____ **WestRock**