

White Paper

Empowered Employees: Managing and Retaining Them in the New, Hybrid Workplace

The 2022 Employee Engagement Survey

In the quest for employee engagement, research suggests flexible, human-centered leadership is necessary to reflect the changing values of today's workers.

The rise of remote work has shifted employees' priorities as they focus more on flexibility, autonomy, personal needs, and work-life balance. In this environment, employers who value a highly engaged workforce find that they must adjust their priorities as well. It's tempting to see the pandemic as the driver of these changes and of the Great Resignation. And it is true that when vast numbers of people suddenly were allowed or required to work from home, they became empowered in many new ways.

However, empowering people, along with giving them the ability to enhance their skills and control their assignments, has long been an important factor in creating a successful company culture of satisfied, hardworking employees. Now more than ever, employees want to work with purpose and to see how their contributions affect the impact their company makes in the broader world. In this new era, the empowered employee requires a flexible working model and value-based benefits, and they have new expectations of their leaders. If their employer doesn't offer these, workers are willing to find them elsewhere.

According to Gallup research, employee engagement hit its peak in 2019 before the onset of the pandemic. Contributing factors included learning and development programs initiated by senior management, a focus on building local teams and training team leaders, and greater efforts to demonstrate transparency in company communications. Then came the headlines about the Great Resignation in 2020 and 2021.

Companies grappled with falling employee retention rates, more employees becoming active job seekers, and companies struggled with the challenges of remote work environments.

Working remotely during the pandemic, employees felt empowered to focus more on their human needs, which often led them to different jobs. Retaining employees in a tight labor market became intensely challenging for companies of all sizes. According to a [Gallup poll conducted in 2021](#), the percentage of engaged employees (both full and part-time) in the U.S. declined last year for the first time in more than a decade. While 34 percent described themselves as engaged, 16 percent said they had actively disengaged from their work and workplace.

Successfully navigating today's employee-empowered environment requires companies to place even greater emphasis on building engagement, crafting teams based on trust, supporting worker initiatives, and protecting work-life balance. How can employers negotiate the triple challenge of supporting an empowerment culture, retaining the employees they need, and attracting new talent?

To find answers, Dale Carnegie & Associates examined workplace emotions and their connection to employee engagement, delving into a workplace culture that now balances values and human needs along with work priorities. We sought to determine how employee engagement affects retention and uncover the options leaders have for creating nonmonetary value that attracts and engages employees.

The global study was conducted in May and June of 2022 through an online aggregated and anonymized survey in which responses of more than 6,500 full-time employees in 20 countries were analyzed.

Our analysis revealed that engaged employees feel mostly confident, hopeful, and assured, to the extent that nearly 70 percent of respondents reported satisfaction with their company, immediate manager, and current job. Then why are so many workers leaving their organizations behind? Our survey says that they are rejecting workplace cultures they perceive as indifferent to their needs and those that fail to engage them meaningfully in their work.

"We nourish the bodies of our children and friends and employees, but how seldom do we nourish their self-esteem? We provide them with roast beef and potatoes to build energy, but we neglect to give them kind words of appreciation that would sing in their memories for years like the music of the morning stars"

- Dale Carnegie

Confidence is the emotion that engaged employees value most highly. They want to feel secure and hopeful about their companies and assured that they are part of the company's success. Maintaining an atmosphere that fosters this level of engagement takes both commitment and creativity.

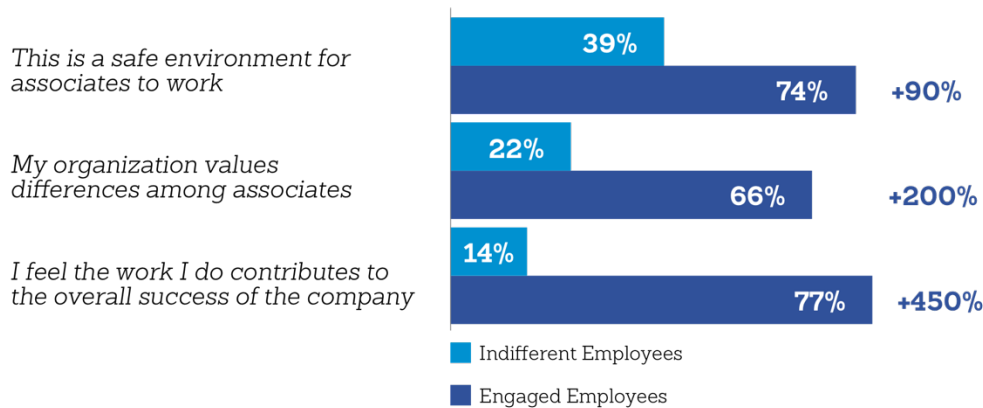
Our research clearly urges employers to redefine value in the workplace by focusing on both organizational and emotional drivers that respond to the needs of today's empowered employees.

"Only 56 percent of employees think their company's executives care about their well-being"

- Deloitte, 2022

- (1) **Organizational drivers** include the relationship with an immediate manager, belief in senior leadership, and pride in working for the organization. Our analysis revealed that 29 percent of employees trust in senior leadership, 26 percent value the relationship with their immediate manager, and 33 percent believe in the purpose and direction of the organization. When an employer focuses on improving these three organizational drivers, they can see significant improvement in employee satisfaction and engagement.
- (2) **Emotional drivers** include understanding their value as employees, experiencing workplace culture as psychologically safe, and feeling that they contribute to the organization's mission and success. Our analysis suggests that a key strategy for improving employee engagement is to implement practices that enable workers to connect positively with their organization and leaders.

Impact of Emotional Drivers



Source: Dale Carnegie & Associates

Implementing practices that influence these drivers yields rewards for both employees and employers. Employees tap into crucial feelings of ownership and empowerment. Similar to satisfied employees, they are more likely to remain employed at the company. They will deliver superior work in less time, help reduce the costs and burdens of turnover, and become vocal advocates and ambassadors for their employers.

Drawing on our findings, here are the essential steps toward successful engagement in an atmosphere of employee empowerment.

Human-Centered Engagement: What It looks like, what it requires

Savvy leaders are setting strategies that align with employees' needs. These needs may include flexible work environments, ongoing skills development, and a culture of transparency and psychological safety. Engagement used to be a top-down initiative, but that is different in today's employee-empowered era. Senior leaders must be mindful not just of productivity and bottom lines but of aligning employee needs with organizational culture. It is vital to ensure that when employees are challenged to excel, they are fully equipped to do so—playing their part in the organization's overall success.

Senior leaders must understand the struggles employees face. Senior leaders significantly underestimate the personal challenges employees face with well-being—at least, that is how their employees see things. A [recent study by Deloitte](#) into the C-suite's role in well-being discovered a notable disconnect between senior management and employees. Both are willing to forgo advancing their career over improving their well-being. Yet, "Only 56 percent of employees think their organization's executives care about their well-being, while 91 percent of the C-suite think their employees believe they care about it," despite the fact that "68 percent of employees and 81 percent of the C-suite say that improving their well-being is more important than advancing their career."



Source: DCT Engagement Research 2022

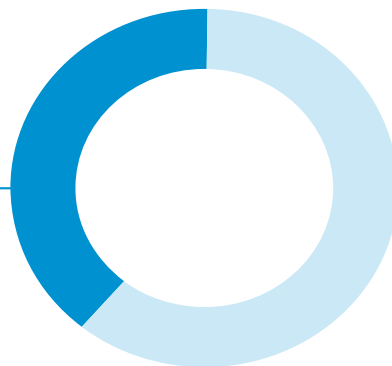
Immediate managers have a huge impact and need tools to do their jobs well. Our analysis revealed that 38 percent of employees have confidence in their immediate manager. Regardless of level, an employee's immediate manager often is the single most important (and often underutilized) resource for boosting engagement. There's something to the adage that people don't leave jobs; they leave bosses. Immediate manager need help transitioning into more effective and engaging leaders, focusing on the essential skills required for building strong, resourceful teams. Vital roles of the immediate manager include controlling the flow of information, communicating the team's goals and explaining what they mean, and manifesting skills that inspire motivation and confidence.

Immediate managers play a large role in employees' emotional well-being. We've seen that engaged employees want to have their emotional concerns prioritized. Here, a manager who is empathetic and inclusive can make all the difference in whether an employee feels valued. Managers don't just set out objectives but explain what they mean for individuals. They respond to problems, listen to concerns, and pass on feedback to senior management. They guide employees through changes, facilitate teamwork and collaboration, and support employees' need for professional and personal development. In turn, their engaged employees are more likely to "go the extra mile."

39%

See an opportunity for skills growth

Dale Carnegie 2022 Employee Engagement Survey



Training/learning opportunities help employees grow. 39 percent of employees we surveyed see an opportunity for skills growth. Expanding one's professional capabilities is part of the employee engagement picture in the empowered environment. When individuals are searching for a new job or for greater satisfaction in a current role, employees view skills training and professional growth opportunities as critically important. During the pandemic, many employers fell far short of making employees feel productive and valued in these important areas. Teams expressed dissatisfaction and negative feelings toward senior leadership when they perceived a lack of team-building opportunities and well-being resources. They did appreciate effective handling of tools for work-from-home flexibility. Those, however, did not address the lack of training opportunities.

Personalized training and continuous learning are best. Empowered employees value training tailored to their specific needs and training isn't a one-size-fits all initiative. "Upskilling" opportunities can be an effective tool for employee retention. An [Amazon report](#) in 2021 found that a majority of workers were very or extremely interested in training to upgrade their job skills. Continuous learning also addresses the skills gap. According to a [2021 McKinsey study](#), an estimated 17 million U.S. employees will need to learn new skills and redeploy into new occupations to remain employed by 2023.

How flexibility in the work environment affects engagement

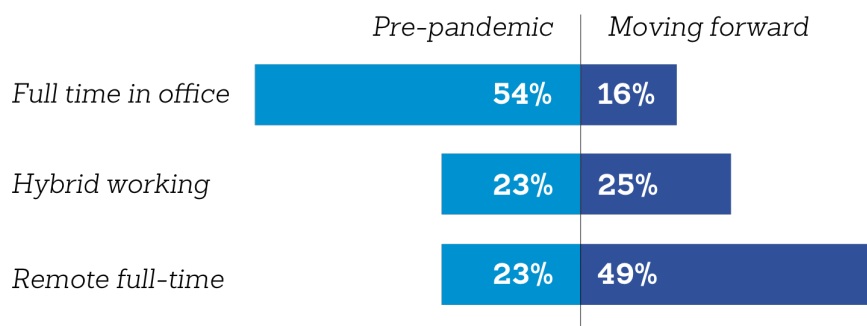
Pay and benefits are important—but so is the work environment. Our study results show that flexibility in working hours and work location during the pandemic had a significant positive impact on employees' perception of their employers. Some 25 percent were already looking for a more flexible work environment. After compensation and benefits, flexible work environments are among the top drivers of job satisfaction for current employees or those looking for a new position. Better benefits and opportunities for skills growth follow a crowded second tier of importance between opportunities for financial growth, a flexible work environment, and the job itself.

Understanding empowerment at home or at the workplace. Essentially, employees want tools to be productive when working remotely and when at the workplace. 39 percent said they feel more efficient in the workplace, and employees want an engaging experience that can't be replicated virtually. They hate commuting, but many miss the social interaction at the workplace. Still, many like working at home, and want to stay there. Our study showed that 31 percent feel more efficient at home. Social interaction may be a key factor in engagement, for those wishing to remain in a workplace environment. These datapoints varied greatly by region, where US and Canadian employees feel more efficient at home, and those outside of the US and Canada refer to the workplace as a place they are more efficient. Being efficient is a key factor of productivity, therefore offering flexibility is a key driver to not only a more productive workforce but to a satisfied and engaged one as well.

Employers must strike the right balance. What does our research tell us about how to do that? During the pandemic, flexible working conditions were a key factor not just in employee job satisfaction but in the work that they sought when exploring new positions. Many organizations realize that perceptions of what constitutes a great place to work are no longer tied to geographic location. Employees associate value with freedom and flexibility.

A majority of employees express a strong preference for remote or hybrid work. Before the pandemic, 54 percent of respondents worked in offices full time, but now only 16 percent prefer that environment. Nearly 25 percent prefer a hybrid environment, and 49 percent desire full-time remote work. For this reason, forward-thinking employers are finding success in implementing long-term hybrid work arrangements, with workers splitting time between home and the workplace.

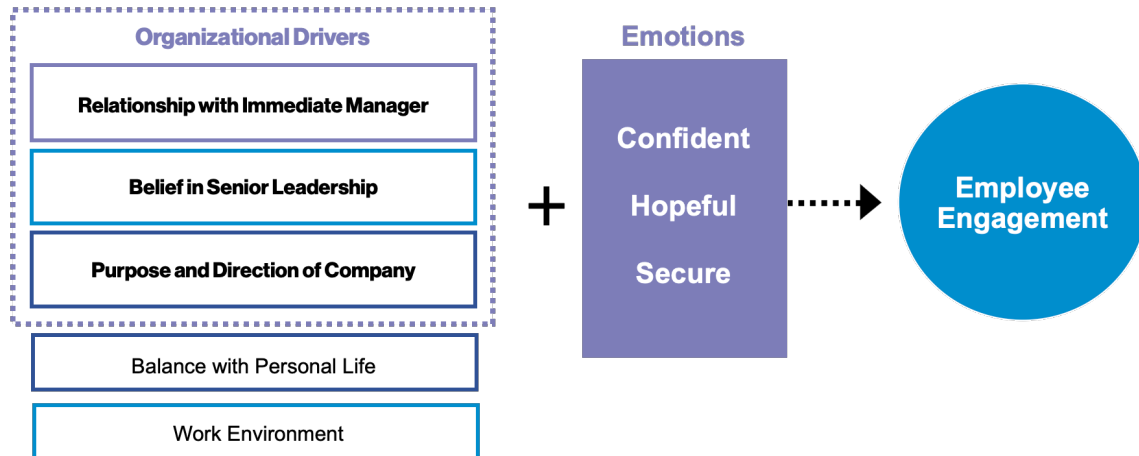
Work Location Preference



Source: Dale Carnegie & Associates

Connect with employees—and keep them

An organization has a successful employee engagement program when its key drivers connect emotionally with its workforce in these ways:



Source: DCT Engagement Research 2022

Confident:

Employees are set up for success, have the support of their leader, and understand that the work they do contributes to the overall success of the organization.

Secure:

Employees feel their culture is psychologically safe, that diversity among associates is embraced, and that company leaders are rooting for them to succeed.

Hopeful:

Employees are encouraged to grow, develop new skills, and have the opportunity for personal and professional development within their organization.

Focusing on these three key drivers solidifies an emotional connection with employees. They can now be sure of their contribution to the company's success. Employees are engaged by feeling part of something bigger than themselves, by being listened to, and by being given the autonomy and flexibility to achieve results within their defined roles.

Absent that emotional connection, the organization will find itself saddled with disengaged employees likely to seek jobs elsewhere. Most employees still work for the same organization where they were employed prior to the pandemic, but those who voluntarily found a new job wanted better work/life balance along with a higher salary or promotion. [The Microsoft 2022 Work Trend Index](#) tends to bear that out, finding that 43 percent of the workforce is considering leaving jobs in the coming year because of unsustainable workloads. A [Pew Research study](#) finds similar trends, with 45 percent

citing a lack of scheduling flexibility as their reason for leaving. Nearly half listed child care issues as a major factor (48 percent among those with a child younger than 18 in the household).

As indicated earlier, an immediate manager can play a key role in supplying emotional sustenance that makes employees feel not only supported but motivated to stay and work hard. This proved especially difficult for many managers who, along with their employees, were facing the challenges of the pandemic. Empathy and camaraderie can go a long way toward helping people feel that they are maintaining balance in their lives overall.

Transforming the Great Resignation into the Great Retention

"Be sympathetic with the other person's ideas and desires "

- Dale Carnegie

The Great Resignation has taken a costly toll on organizations, since replacing employees is expensive. According to a study from the Society for Human Resource Management, cited in the Enrich wellness blog, the value of an employee can range from 50 percent to 200 percent of that employee's salary. For an employee making \$60,000 per year, that means a potential \$30,000 or more in recruiting and training costs. Regardless of the actual turnover rate, employee departures significantly impact companies' bottom lines, as well as employee engagement. That makes it even more urgent for senior leadership to focus on ensuring employees feel valued and productive.

Flexibility is a key employee value in our post-pandemic world. Most companies have employed flexible work-from-home models, and their employees clearly prefer it. A [2021 study by the Harvard Business Review](#) found that 76 percent of workers believe employees should be able to prioritize their lifestyle (family and personal interests) over proximity to work, to the extent they are willing to take less compensation. Similarly, 65 percent of workers would prefer to continue remote work rather than return to the office. A similar percentage of respondents would even be willing to take a 50 percent pay cut if they could continue to work from home.

Another factor to keep in mind: Engaged and satisfied employees are an essential and valuable corporate asset. Our research finds that employees who feel valued are hardworking, nearly three times more likely to put in extra hours when needed and will actively advocate on behalf of their company by recommending it to a friend. More than 75 percent would recommend others do business with their employers. And as one might expect, they are more likely to stay at their job longer than dissatisfied employees.

Conclusion: Leadership to drive and foster engagement

Strong leadership and engaged employees go together—but our research shows that emotional connections matter. Passionate, empathetic managers can attract and retain talent by doing the following:

1. Senior leaders need to adopt human-centered systems and structures that align with employee needs, such as flexible work, ongoing skills development, and a culture of transparency and emotional support.
2. Immediate managers require access to the tools and support they need to do their jobs well and build strong, collaborative teams.
3. Leaders must support a flexible work environment so that employees feel productive and engaged, whether at the workplace or remote.
4. Organizations should prioritize ongoing training and learning development by investing in skills development, and more personalized training so employees feel they are always moving forward.

Yes, employees are empowered, but they also show loyalty to employers that make them feel valued. Leaders must consider workers' human needs right along with the needs of the organization. Flexibility and empathy will go a long way toward setting up employees—and the organizations for which they work—for meaningful long-term success.

To explore employee skill building opportunities, leadership training for engaging managers, and enterprise employee engagement solutions, visit DaleCarnegie.com

About the author

Joe Hart, President & CEO, Dale Carnegie

Becoming CEO of Dale Carnegie in 2015, Joe has continued to lead the effort that has helped thousands of organizations and millions of individuals take command—of their businesses, their careers, and their futures.

Joe started his career as a practicing attorney at two prominent firms where he focused on contract-related litigation. In 1998, he joined The Taubman Company, developer of regional shopping centers, becoming Development Director. In 2000, he followed a dream and started a venture and angel-backed e-Learning company called InfoAlly. In 2005, Joe sold InfoAlly and went on to co-found and become president of AssetHealth.

For more information about the author, visit: [Joe Hart](https://JoeHart.com)

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