Leapsome

Beyond the Cubicle: Leapsome's Workforce Trends Report
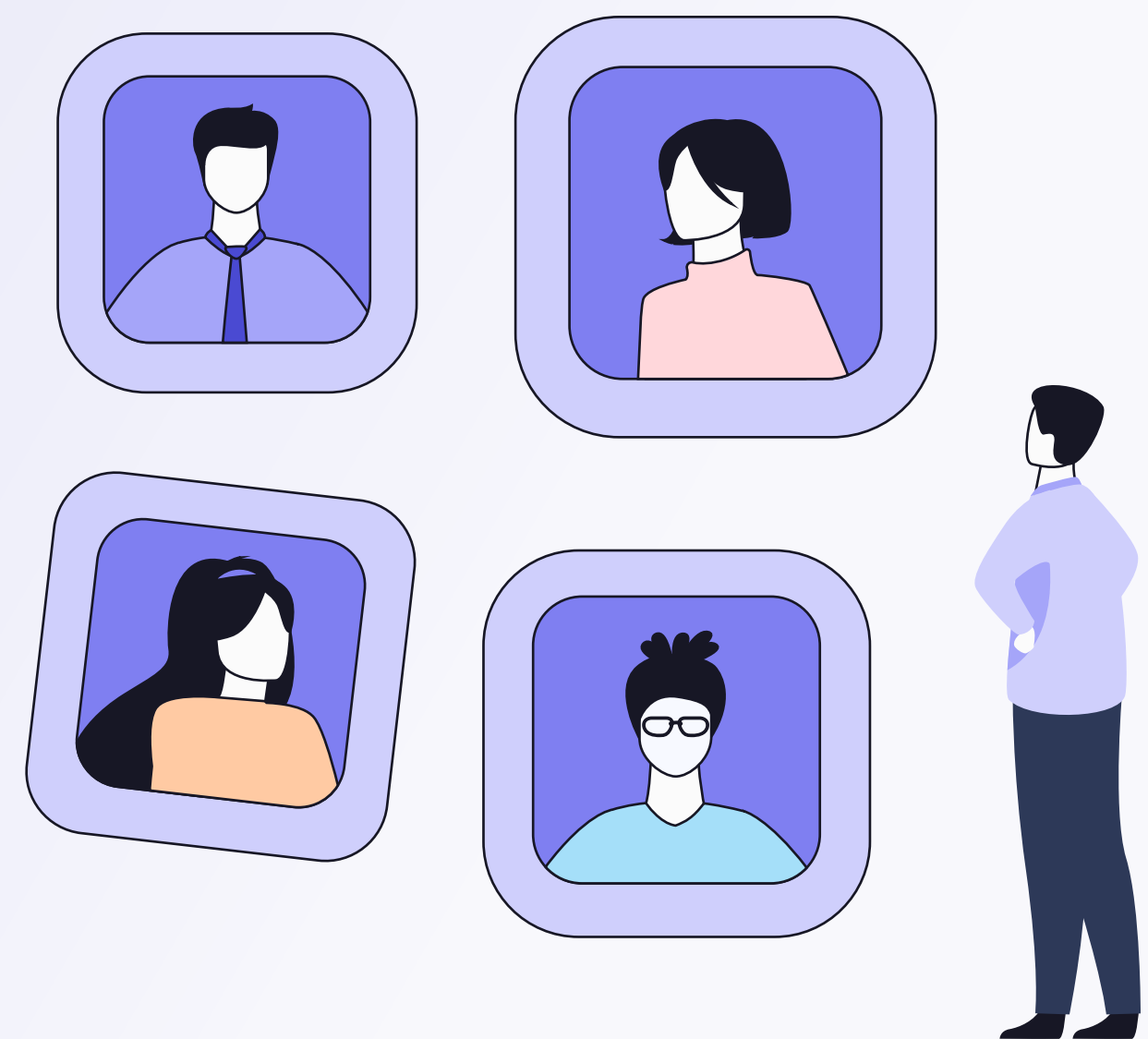
Q4 2023

New work dynamics

With the weight of a cost of living crisis, the devastating impact of large-scale layoffs, and employees navigating the ensuing mental and emotional strain — the world of work is reeling. HR leaders, in particular, are grappling with many challenges: The surge of AI, an increasingly globalized workforce, and the ongoing balancing act between remote, hybrid, and return-to-office urgently require agility and adaptability. In these transformative times, when work has transcended the four walls of an office cubicle, it's vital for companies to effectively manage organizational change and evolving employee needs.

With this backdrop, Leapsome embarked on a comprehensive study, aiming to take the pulse of HR leaders and employees in this new age of work. Amid the prevailing uncertainty, we measured HR preparedness to promote employee engagement, productivity, and growth, while assessing the current state of employee satisfaction.

Together with YouGov, we spoke to over 2,500 full-time professionals from across the globe. The research shows a concerning gap between what employees need at work and what companies actually offer. Fortunately, our findings reveal the people strategies needed for organizational resilience and success in the new world of work.

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HR–employee misalignment quietly threatens business resilience:

Only 1 in 3 HR leaders track essential metrics like engagement or turnover. Of those who do, only a third use dedicated surveys, leading to HR overestimating employee engagement and mental well-being. Almost one-third of workers are not comfortable reporting issues to HR, further accentuating this chasm. Such a communication breakdown risks additional unanticipated turnover, with a third of employees already planning to change jobs.

Employees are calling on managers for better feedback and guidance:

3 in 4 workers want more feedback and recognition from their managers. One-third is not satisfied with their organization's performance review process, and a majority call for more frequent reviews. In addition, 1 in 3 employees are unhappy with internal goal setting and KPI measurement. This lack of internal alignment in a globalized working world risks increased disengagement.

Productivity drivers are changing, and efficiency is at stake:

Employees report that half of their meetings are a waste of time, with 1 in 3 meetings having no agenda. Luckily, AI is helping to claw back that lost time, improving productivity for 4 out of 5 workers using the technology. 90% of HR leaders and 75% of employees use AI at work at least once a week. HR leaders should enable employees to get meaningful results with less wasted efforts by embracing AI and optimizing meetings.

The *HR Insights* Gap
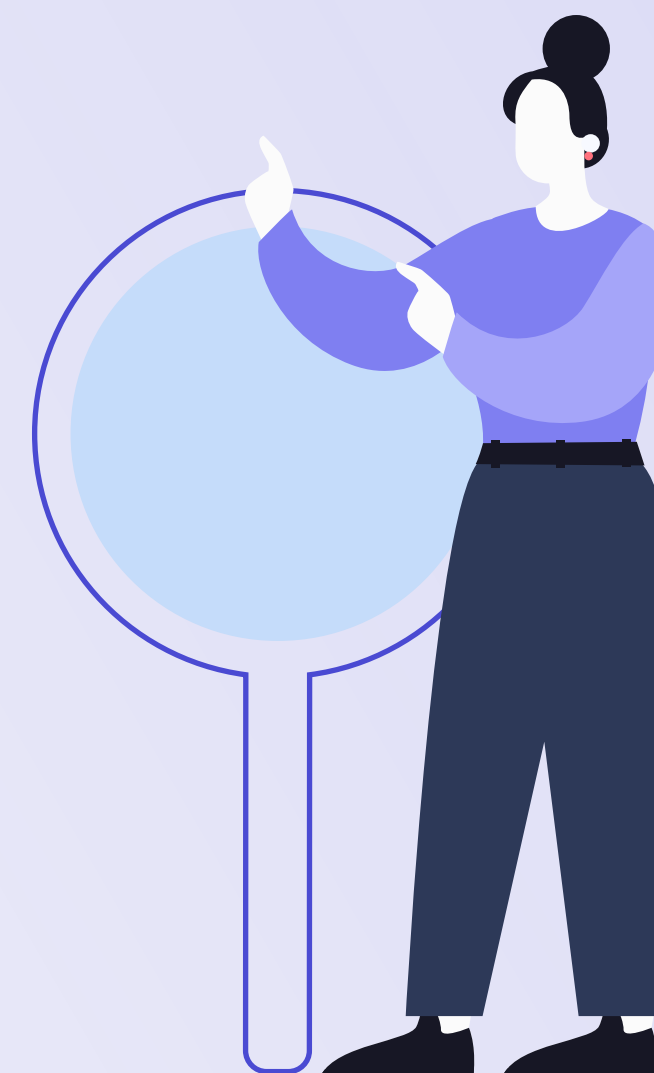
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HR-employee misalignment quietly threatens business resilience

Only 1 in 3 HR leaders track essential metrics like engagement or turnover. Of those who do, only a third use dedicated surveys. This misses the chance to get valuable insights, especially since one–third of employees don't feel they can talk candidly with HR.

HR estimates that over half their workforce is completely engaged at work, when it is really less than a third.

They also overestimate employee mental health.

This communication breakdown risks an unanticipated rise in turnover, with a third of employees already planning to change jobs in the next 12 months. Top reasons for turnover are reported to be unhappy workplace culture, lack of development opportunities, and poor employee–manager relationships.

HR teams don't fully understand their workforce

Only 1 in 3 HR leaders track essential metrics like engagement or attrition. Of those who do, only a third use dedicated surveys.

We asked HR leaders if they use company-wide surveys to measure employee engagement


32%
do

68%
don't
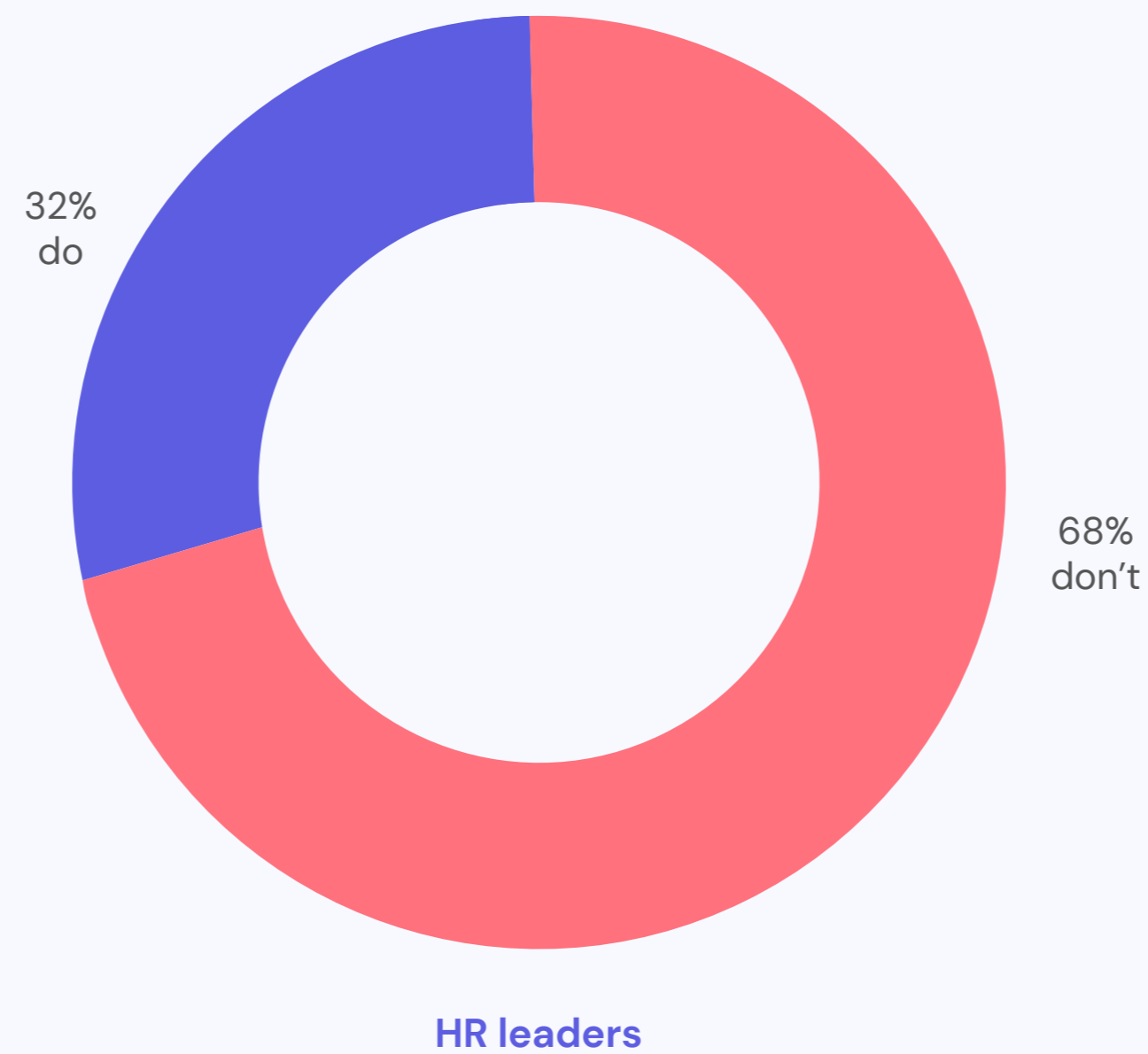
HR leaders

Base: All HR leaders (n=500)
Q25: How do you measure employee engagement within your organization?

HR overestimates how engaged employees are

Less than 1 in 3 employees report feeling "completely engaged" — HR estimates that more than half feel this way.
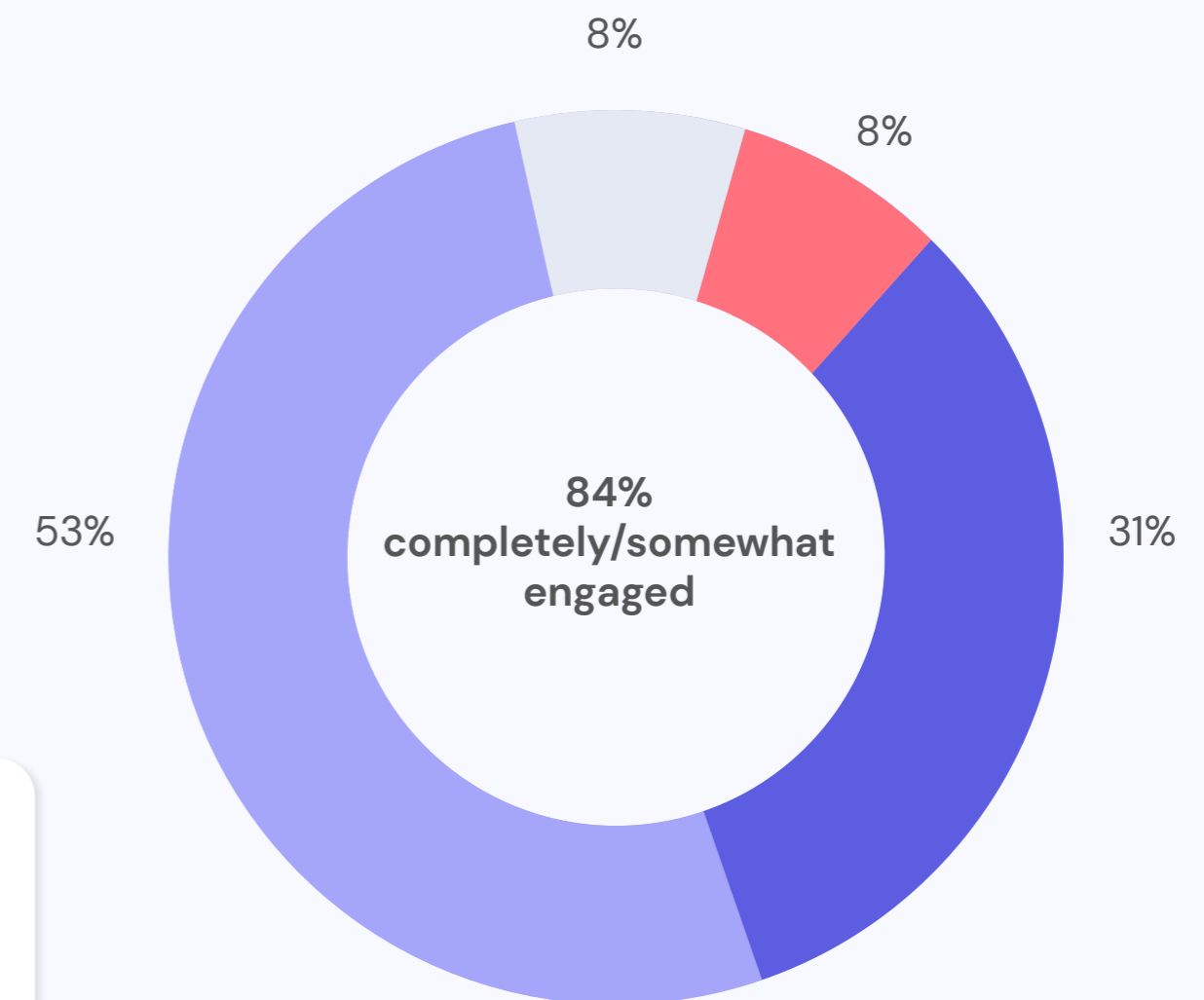
HR leaders

We asked HR leaders how engaged their employees are

5%

46%

49%

95% completely/somewhat engaged
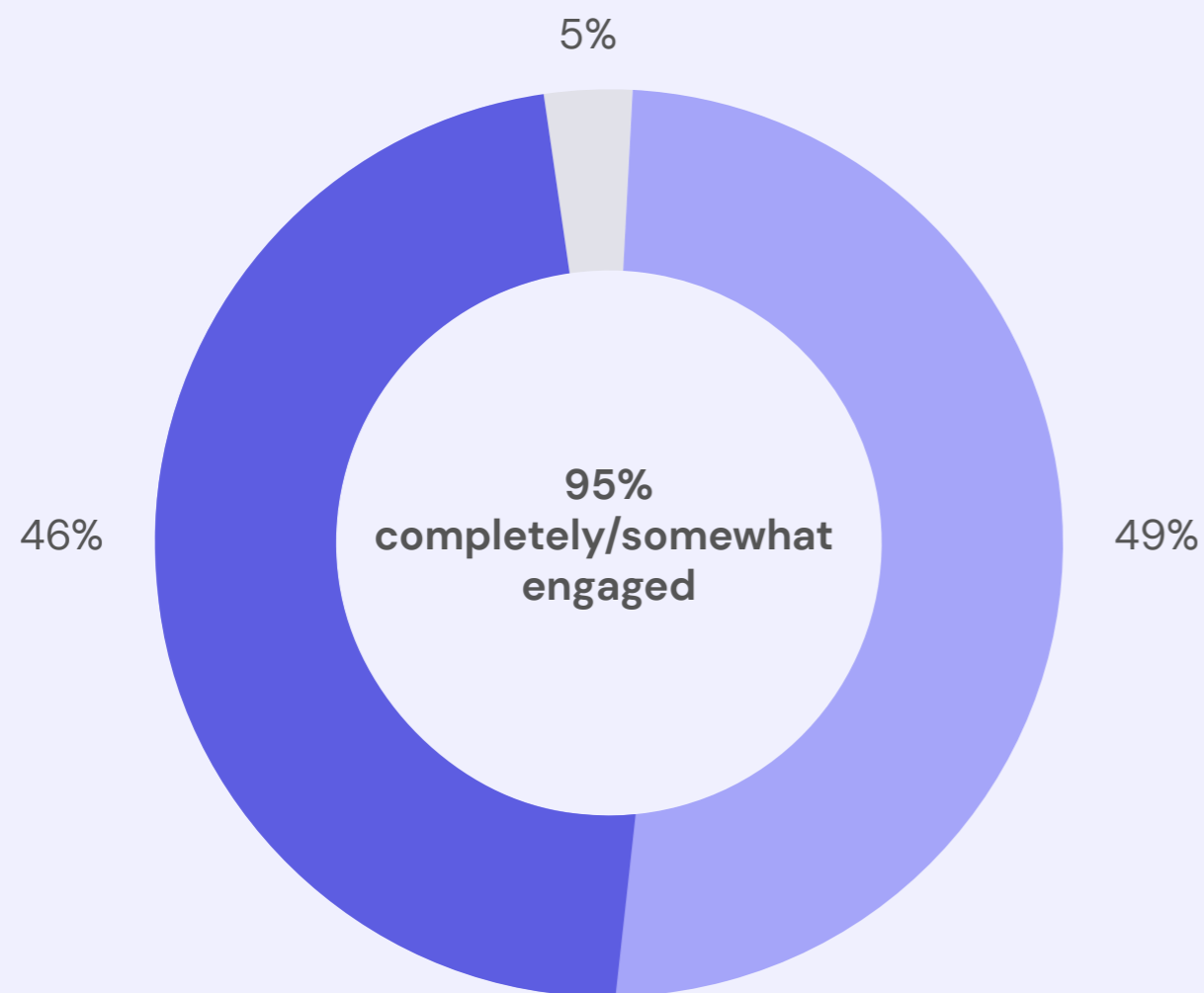
Employees

We asked employees how engaged they really are

8%

8%

53%

31%

84% completely/somewhat engaged

Legend:
- Neutral
- Disengaged
- Somewhat engaged
- Completely engaged

⚠️ In-office workers report higher levels of engagement than their remote/hybrid counterparts.

Base: All HR leaders (n=500)
Q8: How engaged would you say employees are at your company?
Base: US employees (n=1000)
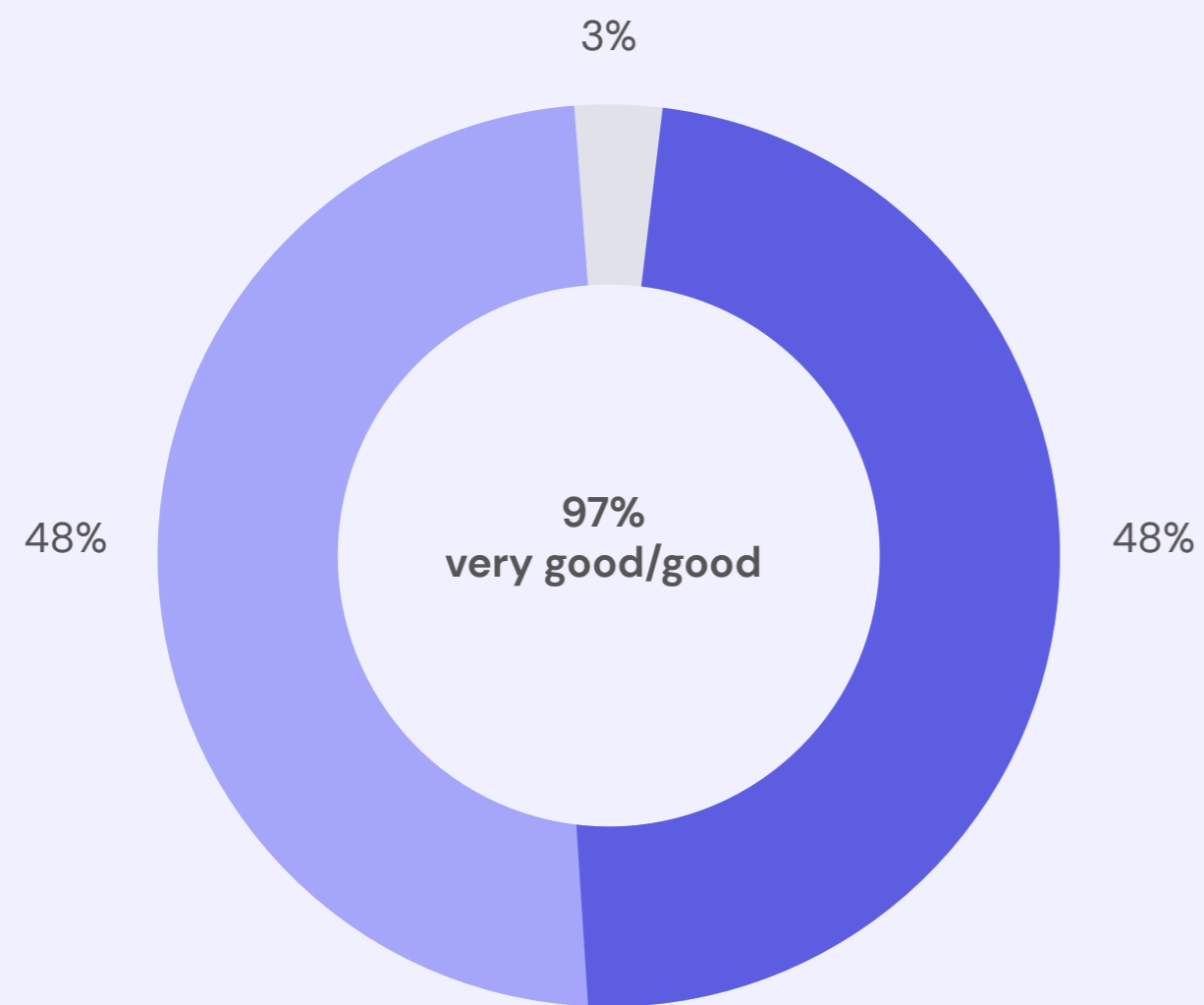Q5: How engaged would you say you are at work?

HR leaders are too optimistic about employee mental health

HR leaders

We asked HR leaders about the state of employee mental health

3%

48% — 48%

**97%
very good/good**

Employees

We asked employees about their state of mental health

6%

5%

1%

39%

**88%
very good/good**

49%

Legend

- ■ Very bad
- ■ Bad
- ■ Neutral
- ■ Good
- ■ Very good

Employees disagree with HR on feedback culture — especially those working fully remote

While almost all HR leaders (97%) report good feedback cultures, employees are more pessimistic. Especially when it comes to fully remote workers, 9 out of 10 don't view their company's feedback culture in a positive light.
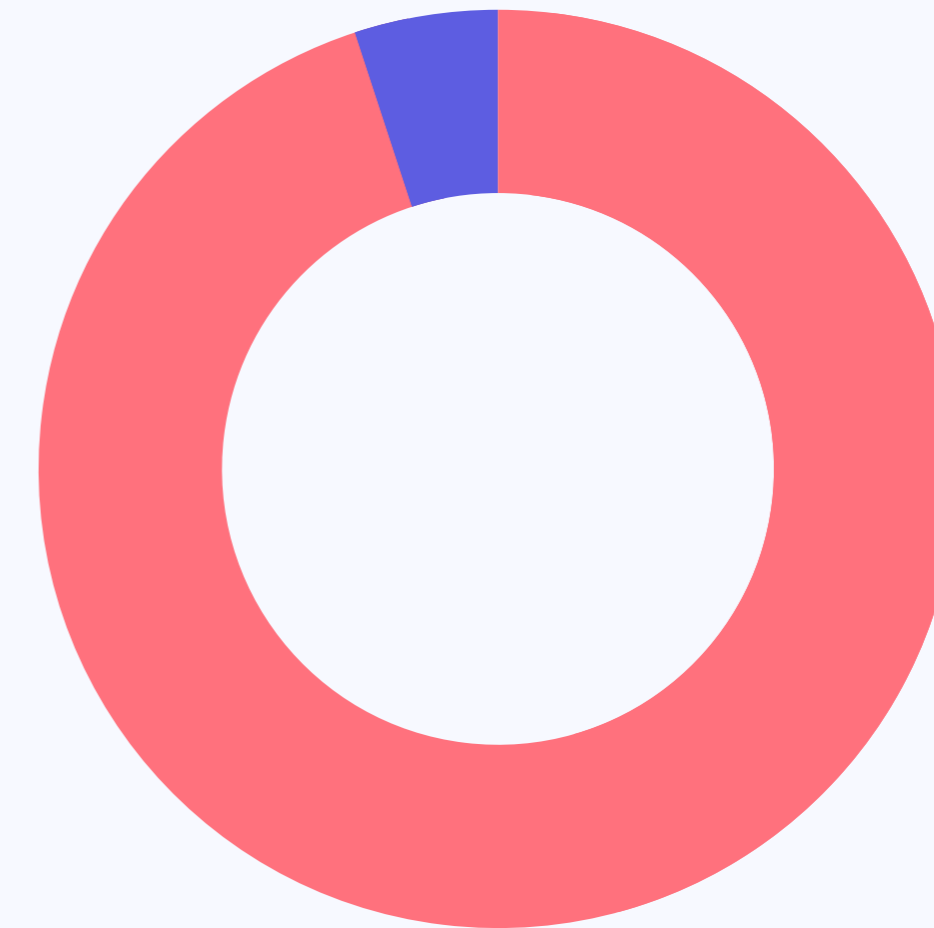
HR leaders

We asked HR leaders about the company feedback culture

97%
of HR describe
feedback culture
positively
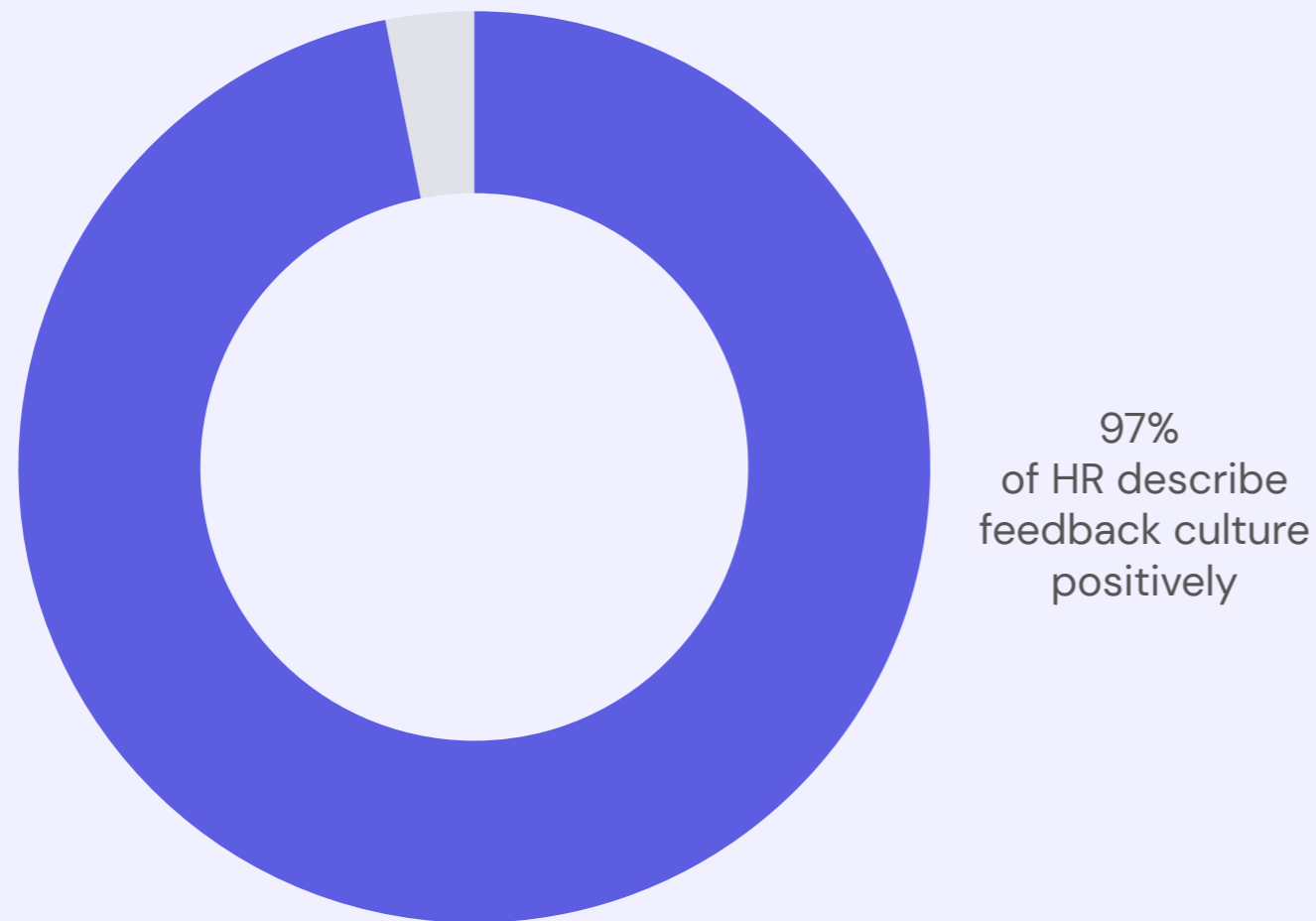
Employees

We asked employees, too, and remote workers stood out

Only 13% of fully remote employees
describe feedback culture positively

⚠️ Across all countries, in-office
employees report better feedback
culture vs. hybrid/remote.

Base: All HR leaders and employees
Q24/Q29: Beyond performance reviews, how would you describe the feedback culture in your company?

Employees think they're top-performers. HR isn't convinced

8 out of 10 employees say they consistently go above and beyond, but HR only considers 6 out of 10 as top–performers.
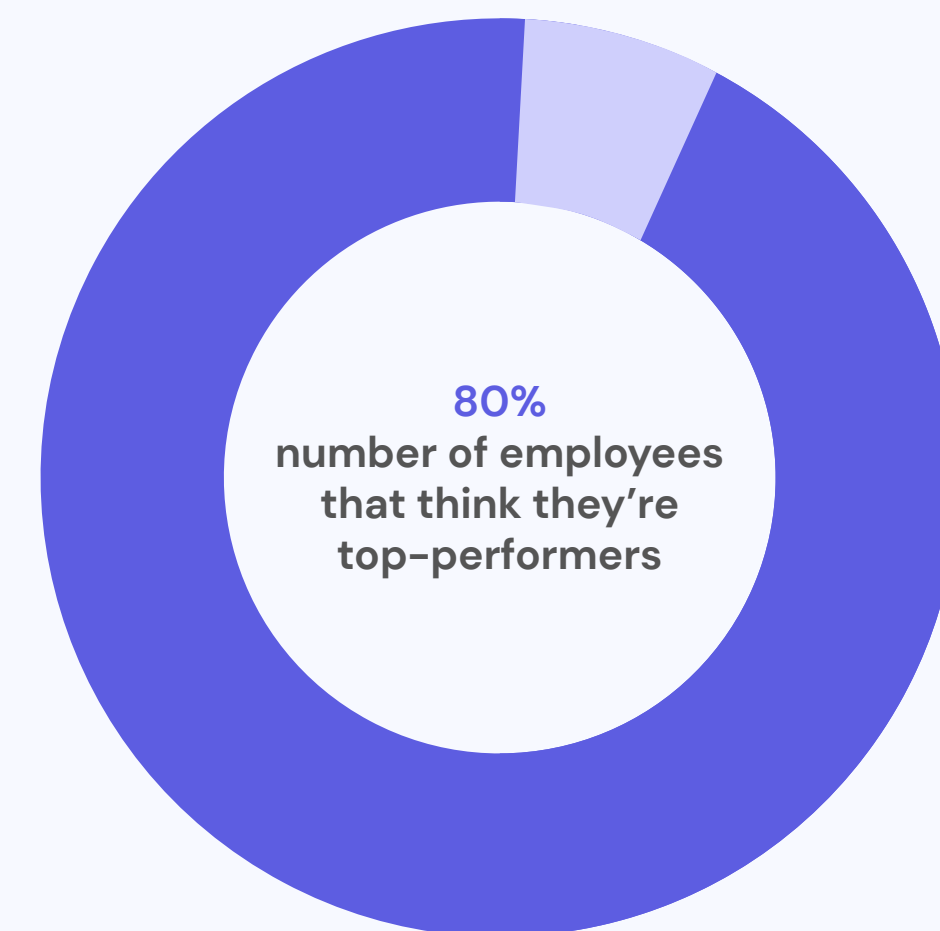
HR leaders
We asked HR leaders about employee performance

59%
number of employees that HR considers top-performers
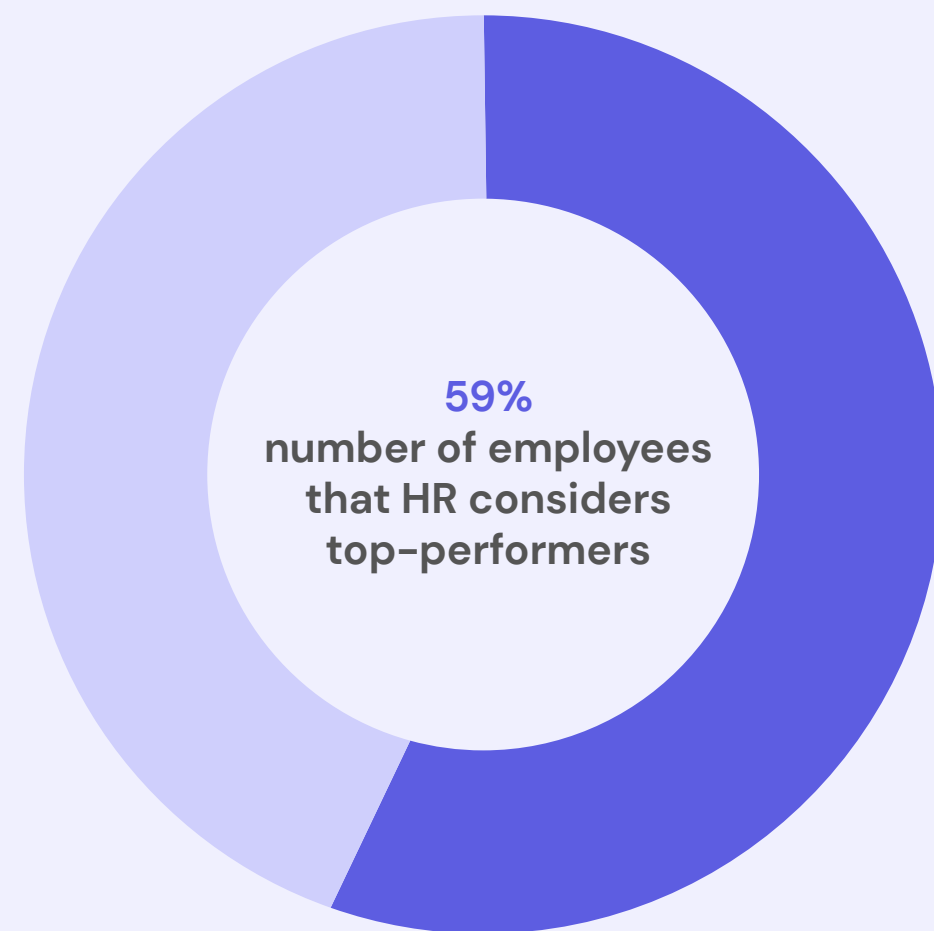
Employees
We asked employees about their own performance

80%
number of employees that think they're top-performers

Base: All HR leaders (n=500)
Q15: What percentage of employees at your company would you say you class as top-performers?
Base: US employees (n=1000)
Q13: How often—if ever—do you go above and beyond what is required to achieve your goals

Not all employees feel comfortable talking to HR

Workers need more open and anonymous communication channels to encourage trust and candid conversations with HR.

We asked employees if they feel comfortable reporting issues to HR
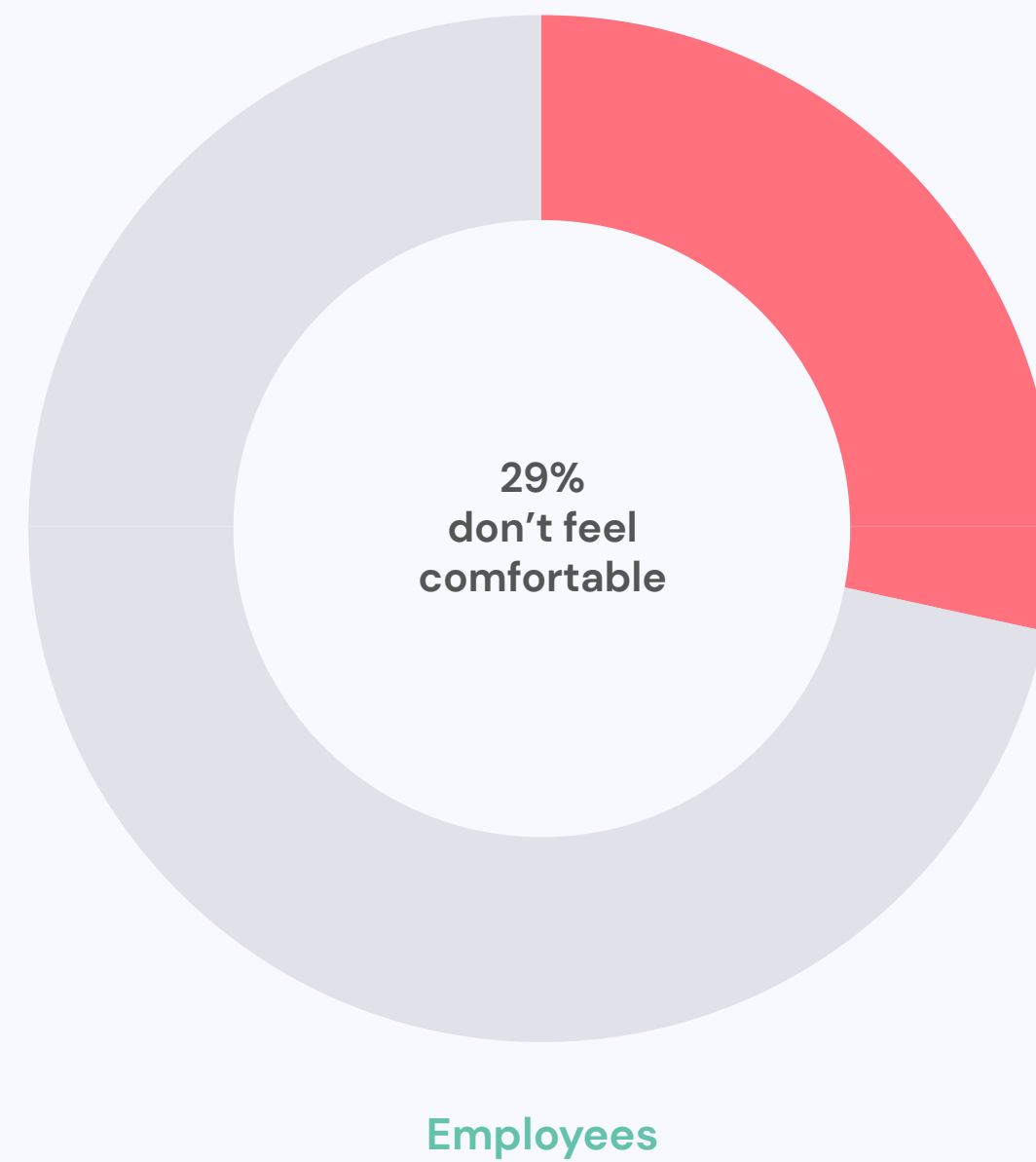
**29%
don't feel
comfortable**

Employees

Base: All employees (n=2000)
Q35: How much do you agree or disagree with the following statement: I feel comfortable reporting issues to HR.

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# Majority of HR leaders report high, increasing turnover rates

HR leaders
We asked HR leaders about their annual employee turnover rate

20% + **22%**

<10% **21%**

**52%
report turnover
rate of 15%+**

15%–19%
30%

10%–14%
26%
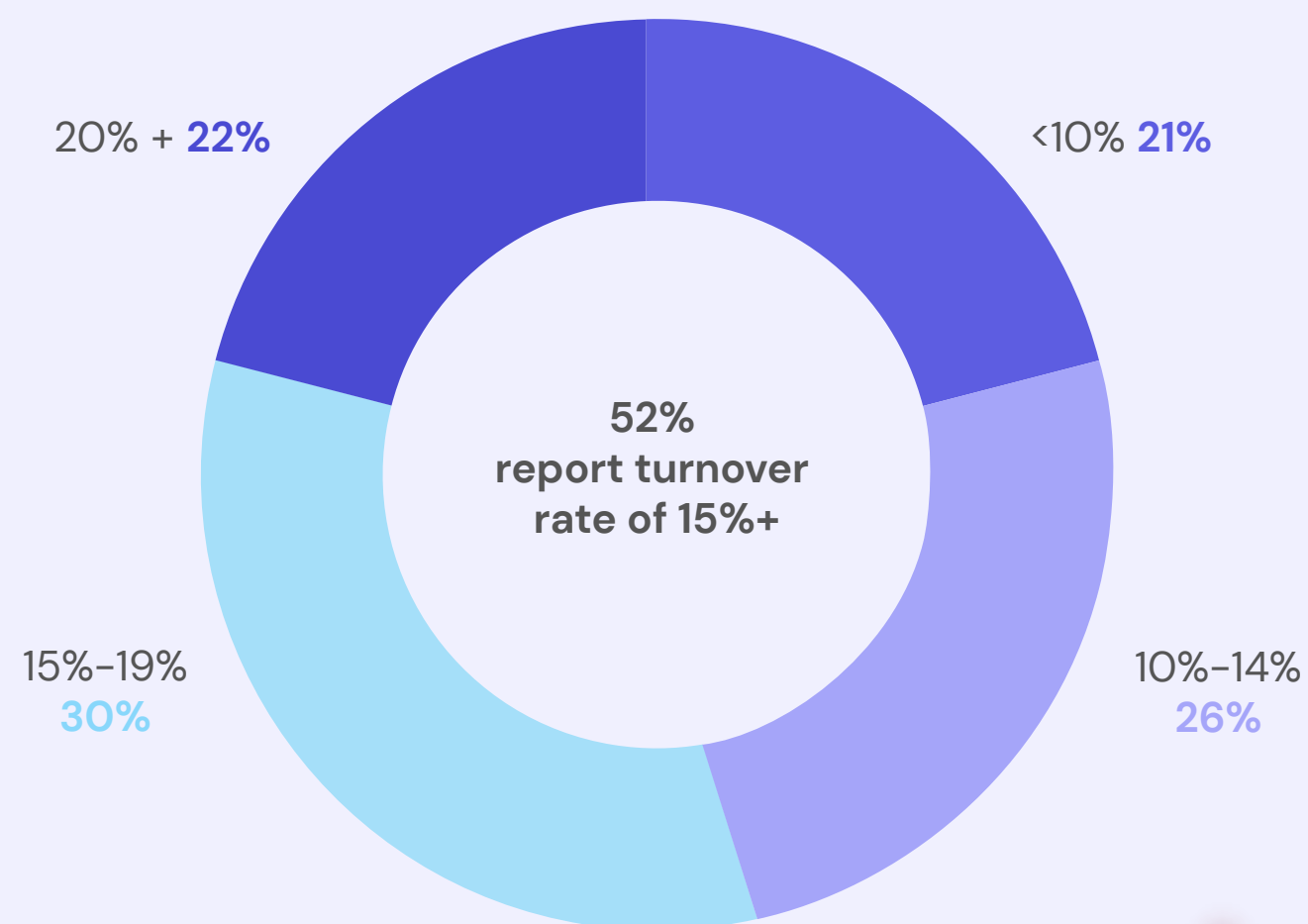
⚠️ 58% of tech companies have a turnover rate of 15% vs. 47% of business/consulting and 36% of PR/advertising firms.

HR leaders
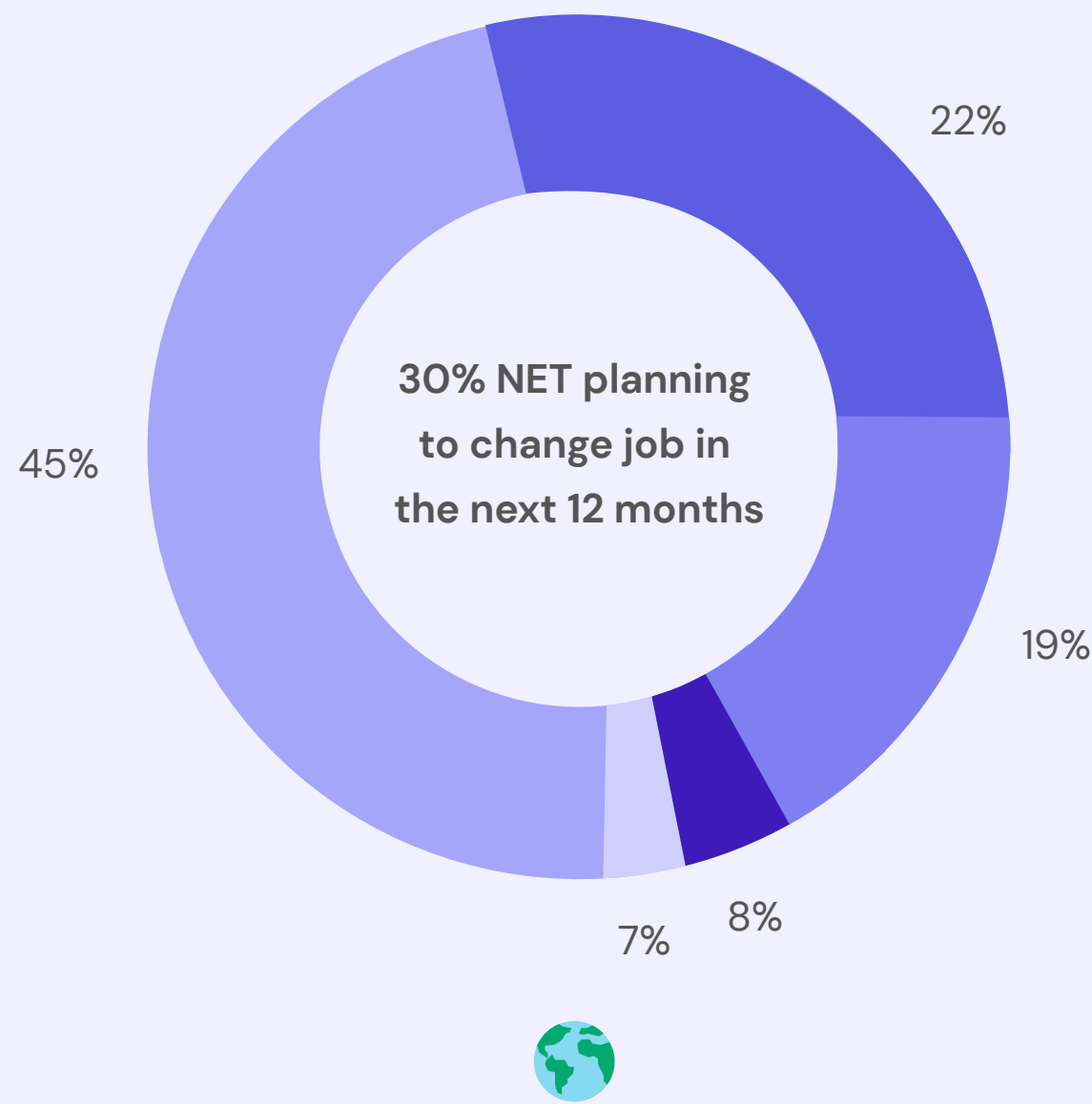We asked HR leaders how their turnover rate changed in the past 12 months

17%
report a
decrease

20%
report
no change

63%
reported an
increase
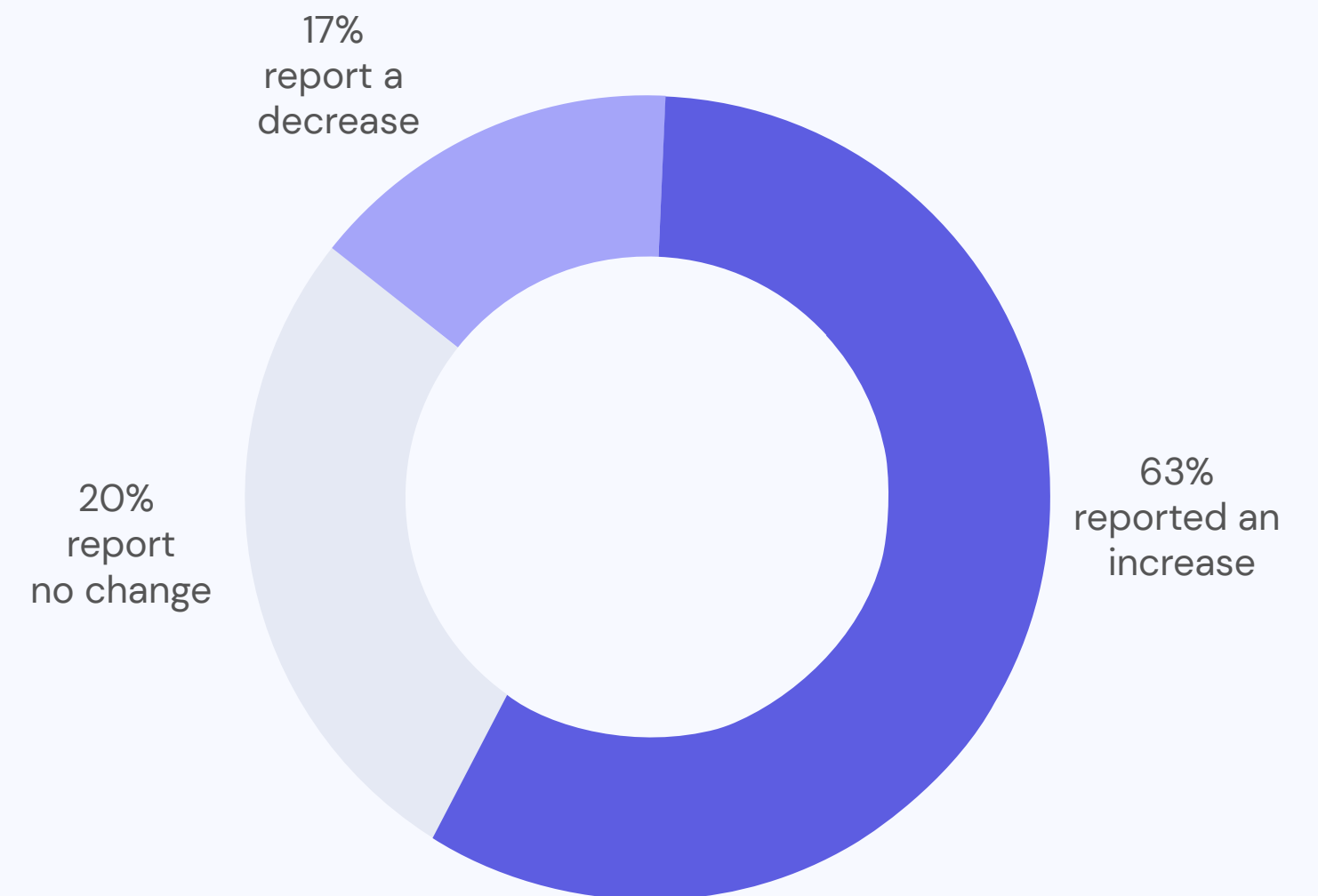
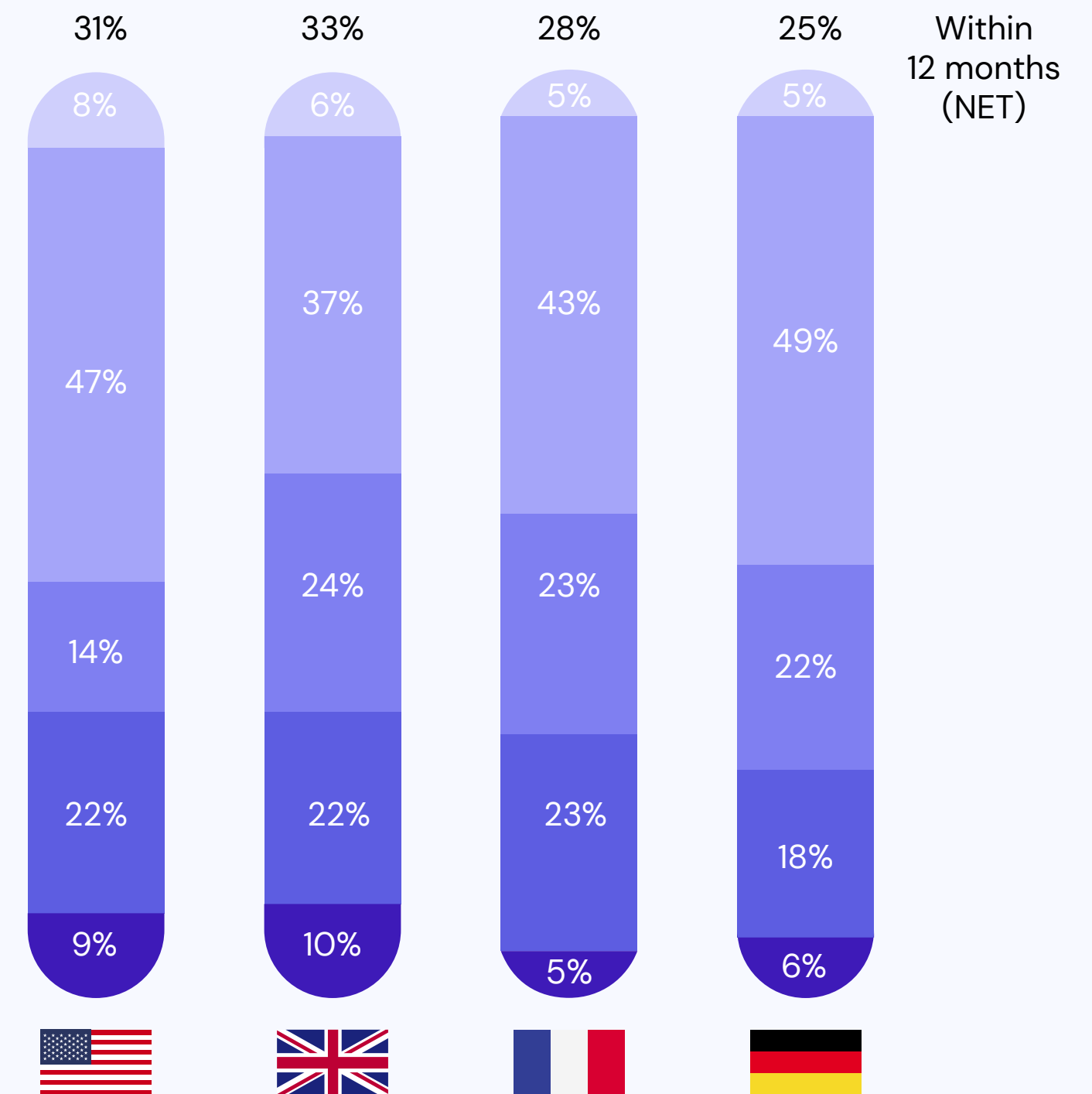⚠️ Increased turnover highest among business/consulting firms at 72%

Roughly 1 in 3 employees are planning to change jobs in the next 12 months

We asked employees if they have plans to change jobs

Employees
Global aggregate response

22%

19%

8%

7%

45%

30% NET planning to change job in the next 12 months

Employees
Local response

Within 12 months (NET)

	31%	33%	28%	25%
Don't know	8%	6%	5%	5%
No plans	47%	37%	43%	49%
In 12+ months	14%	24%	23%	22%
In 7–12 months	22%	22%	23%	18%
In 3–6 months	9%	10%	5%	6%

🇺🇸 🇬🇧 🇫🇷 🇩🇪

Legend:
- Don't know
- No plans
- In 12+ months
- In 7–12 months
- In 3–6 months

Why do people leave? Top three reasons for turnover according to HR and employees

According to HR

30%	Workplace culture, environment, and morale
29%	Lack of career growth/development opportunities
29%	Employee relationships with their managers
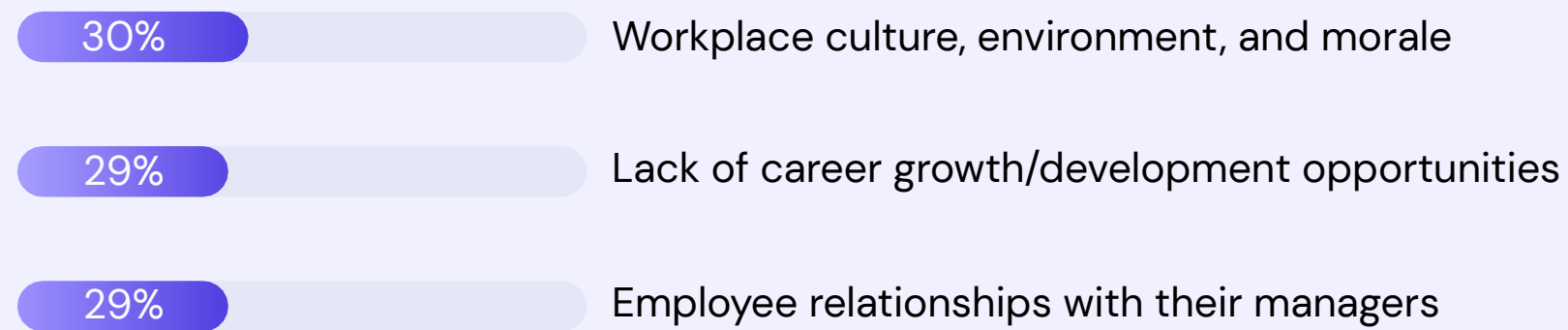
HR leaders

According to employees
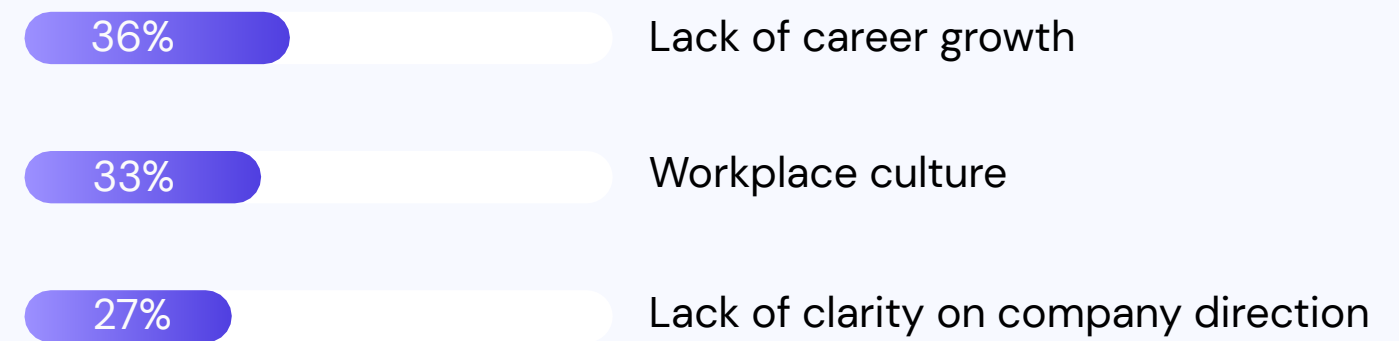
36%	Lack of career growth
33%	Workplace culture
27%	Lack of clarity on company direction

Employees

The *New Workforce* Needs

Employees are calling on managers for better feedback and guidance

While most employees describe their company's feedback culture positively, 3 in 4 still want more feedback. Equipping employees to give valuable feedback is critical: A majority of UK, French and German employees report receiving hurtful feedback at their current job.

One-third of the workforce is not satisfied with their organization's current performance review process, where reviews happen 1–2 times per year. More than half call for more frequent and better performance reviews.

1 in 3 employees are unhappy with internal goal setting and KPI tracking. Better goal setting could align HR and employees on company direction.

Employees report hurtful feedback and dissatisfaction with reviews

One-third of employees are not satisfied with their current performance review processes, and majorities of UK, French & German employees received hurtful feedback at their current jobs.*
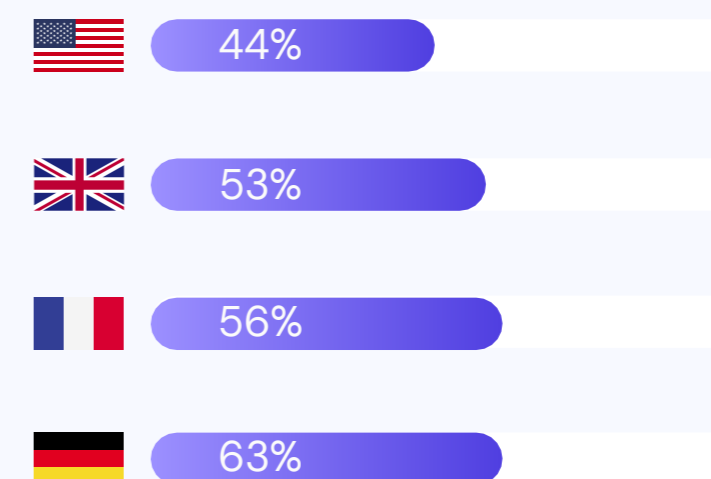
Employees

We asked employees how satisfied they are with their current performance review process

11% dissatisfied

21% neither satisfied nor dissatisfied

68% satisfied
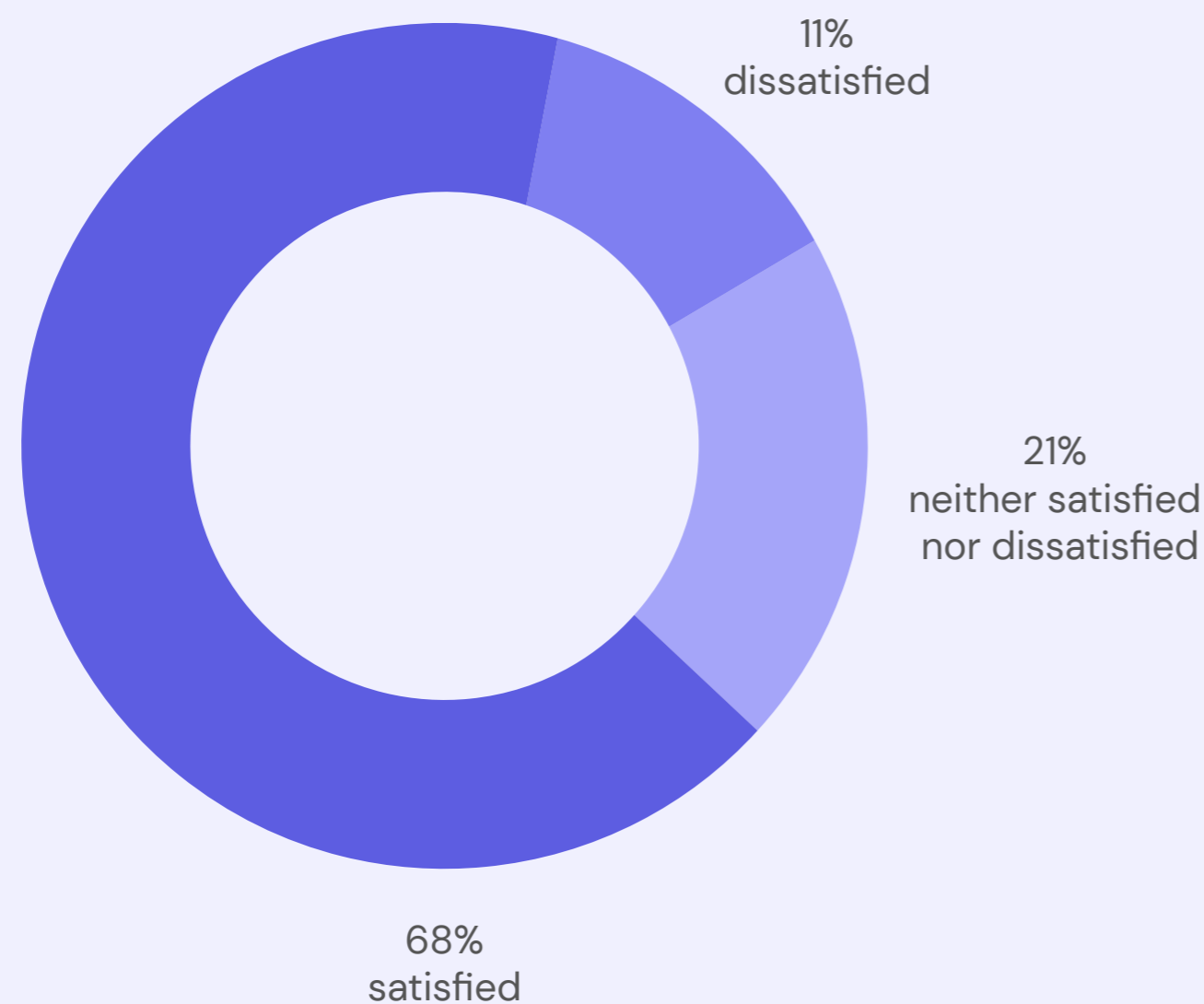
Employees

We asked employees if they've received hurtful feedback at their current job

🇺🇸 44%

🇬🇧 53%

🇫🇷 56%

🇩🇪 63%

⚠️ *An important reminder for HR and managers that employees should be equipped to deliver feedback the right way.

Base: All employees (n=2000)
Q35: How much do you agree or disagree with the following statements about your workplace? I have received hurtful feedback at my current job.
Q36: How satisfied are you with the following areas at your current workplace? The performance review process.

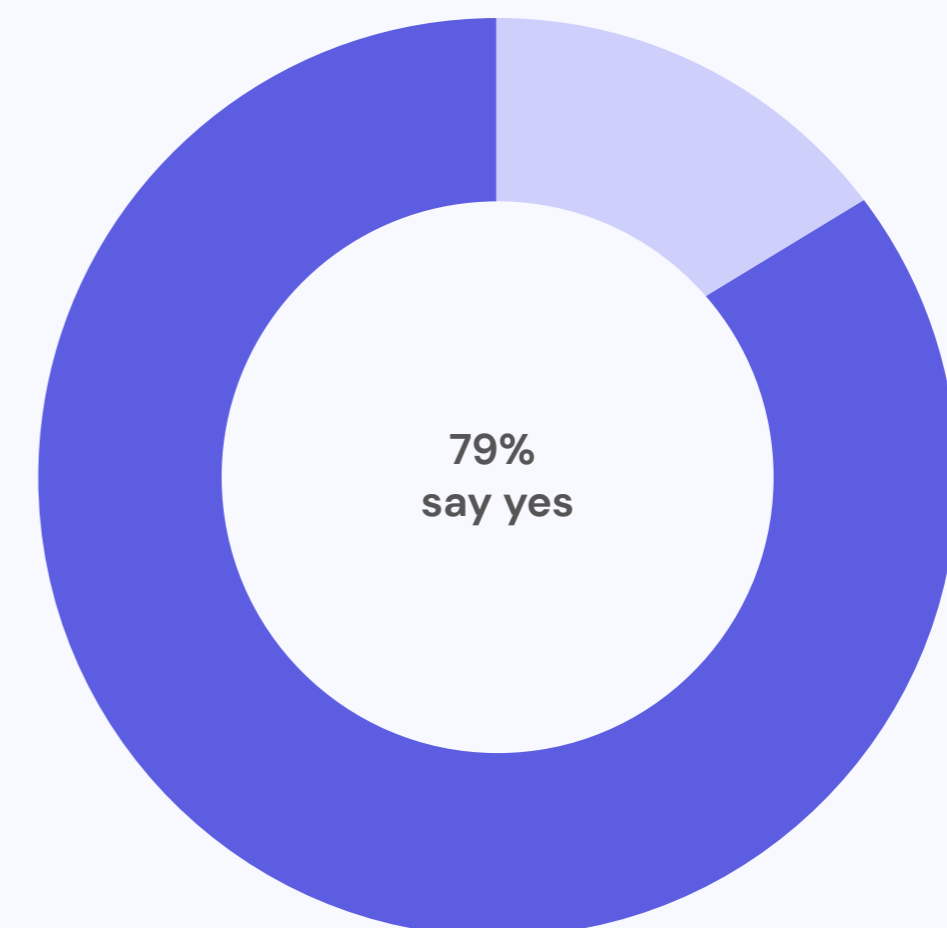# 3 in 4 employees want more frequent feedback to increase productivity

Employees

We asked employees if they want more feedback

73%
say yes
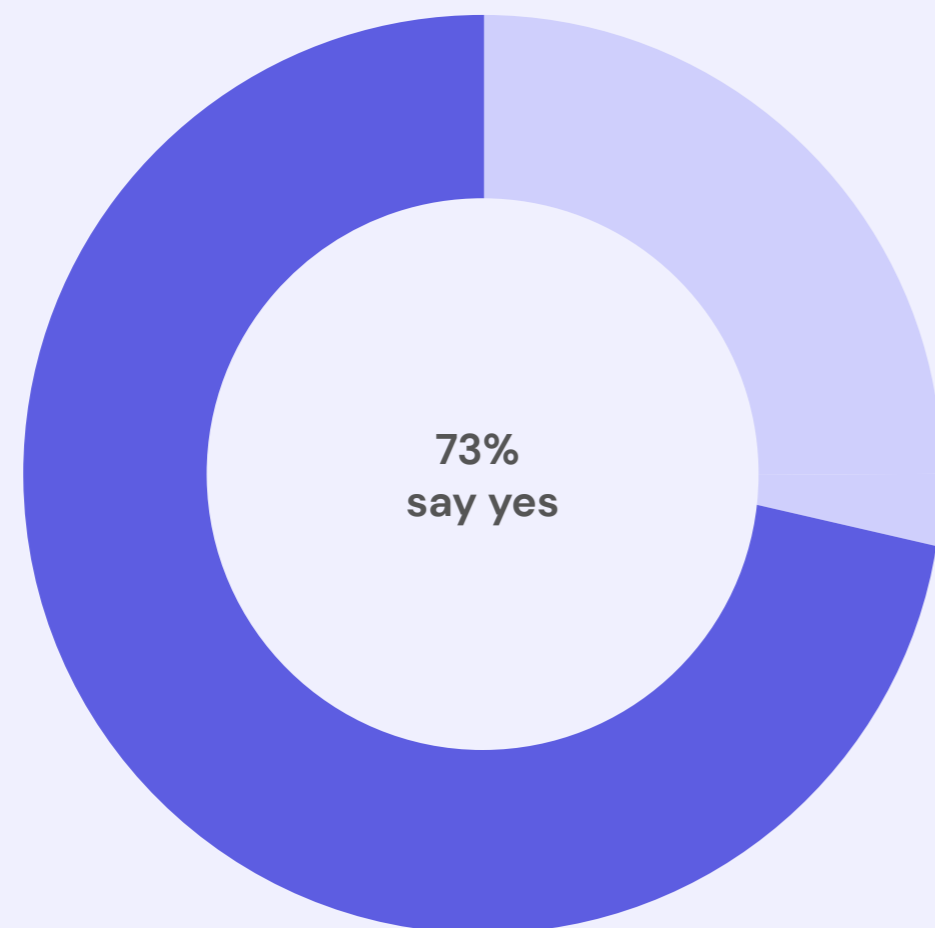
Employees

We asked employees if receiving constructive feedback makes them more productive

79%
say yes

Majority of employees say performance reviews are effective and should happen more often

Performance reviews occur on average 1–2 times a year. Most employees want more frequent reviews.

Employees

We asked employees if performance reviews should happen more often

52%
of employees want more performance reviews

Employees

We asked employees if performance reviews offer a full picture of their performance

🇺🇸 81% yes

🇬🇧 81% yes

🇫🇷 84% yes

🇩🇪 84% yes
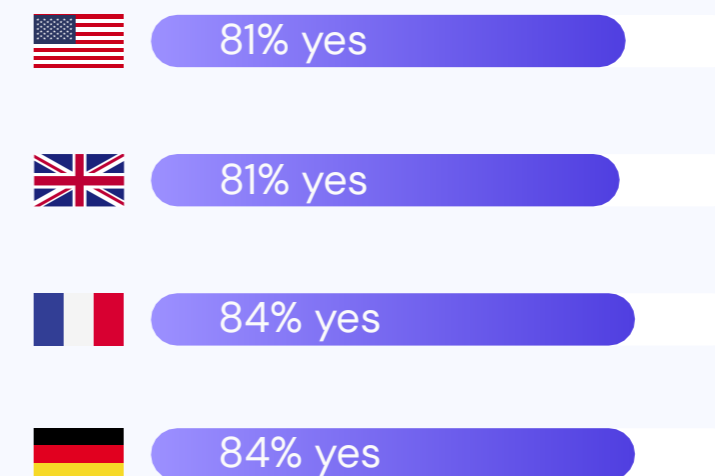
Roughly 4 in 5 employees say performance reviews give their managers a full picture, though there are notable gender differences.

⚠️ In the US, France & Germany, over 1 in 5 women (21%) feel that performance reviews do not give their managers a full picture.

Better goal setting could align HR and employees on company direction

85% of employees feel they understand the company's direction and their role in it, but HR leaders estimate only 61% have this understanding. Despite feeling aligned with business goals, 1 in 3 workers are unsatisfied with internal goal setting & KPI tracking.
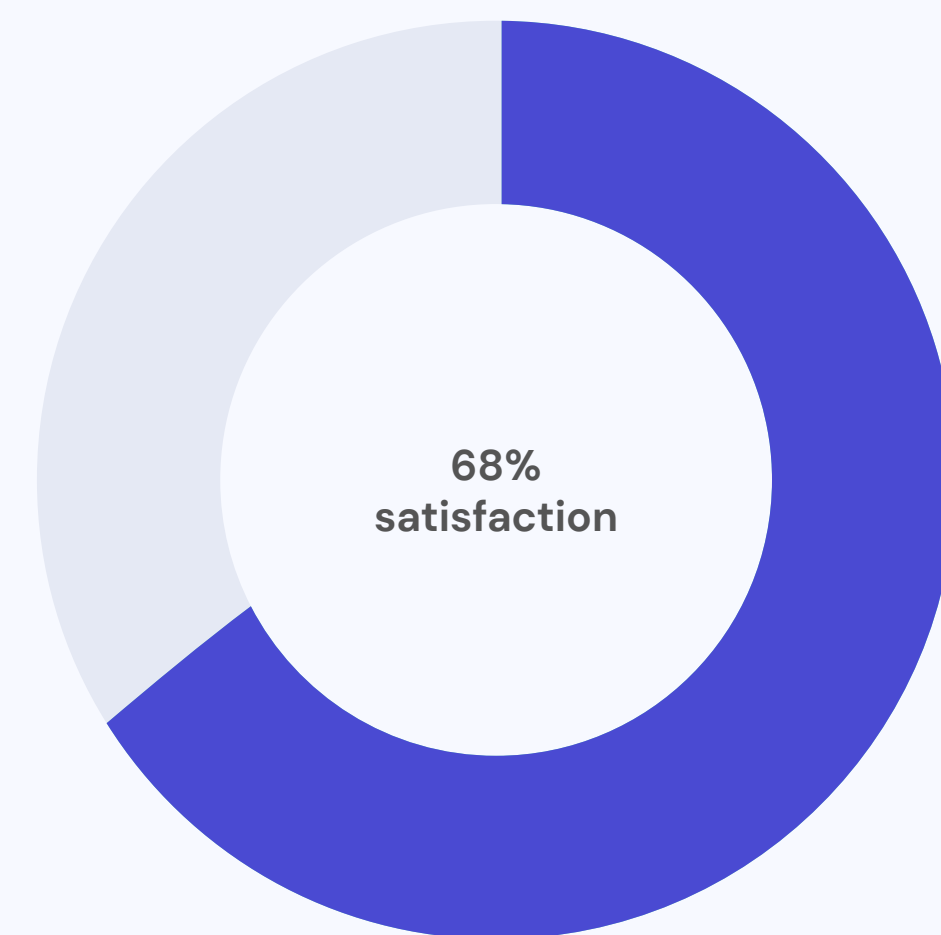
HR leaders

We asked HR leaders how many employees understand the company direction

39% don't

61% do

Employees

We asked employees whether they are satisfied with how their company handles goal setting & KPI tracking

68% satisfaction

Estimated understanding of company direction is lowest among business/consulting firms (57%)
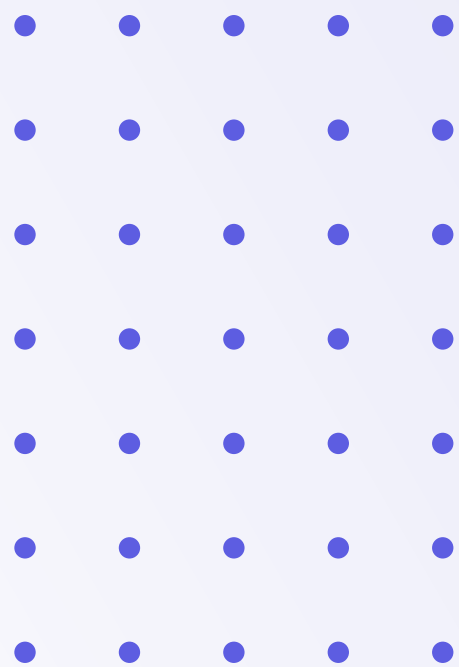
The *Productivity* Blueprint

Productivity drivers are changing, and efficiency is at stake

Employees report that half of their meetings are a waste of time, and productivity may be further harmed by 1 in 3 meetings having no agenda.

On the other side of the productivity spectrum, 3 in 4 employees have started using AI for work at least once a week. 90% of workers using AI at all report that it has positively impacted their productivity.

Impressively, 9 in 10 HR leaders are using AI at least once a week, and 91% report that it has improved HR processes

Meetings that have agendas are more productive

80% of employees have up to 10 meetings per week, yet only 30% of meetings have an agenda, making them less productive.

Employees
We asked employees how many of their meetings are a good use of time

47%
are not

53%
are
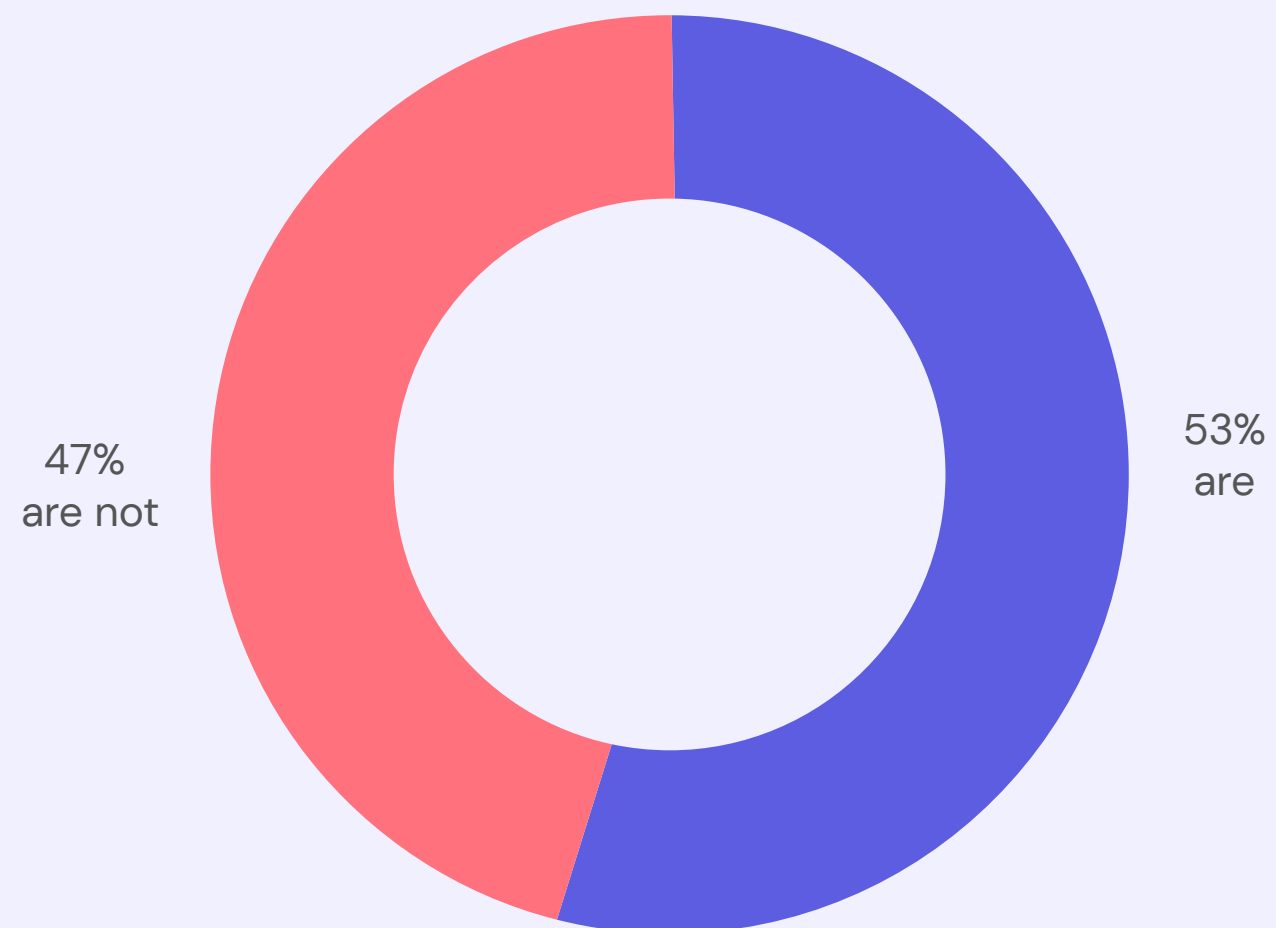
Employees
We asked employees how productive meetings with agendas are

3%

7%

90%

- Unproductive
- Neither productive nor productive
- Productive
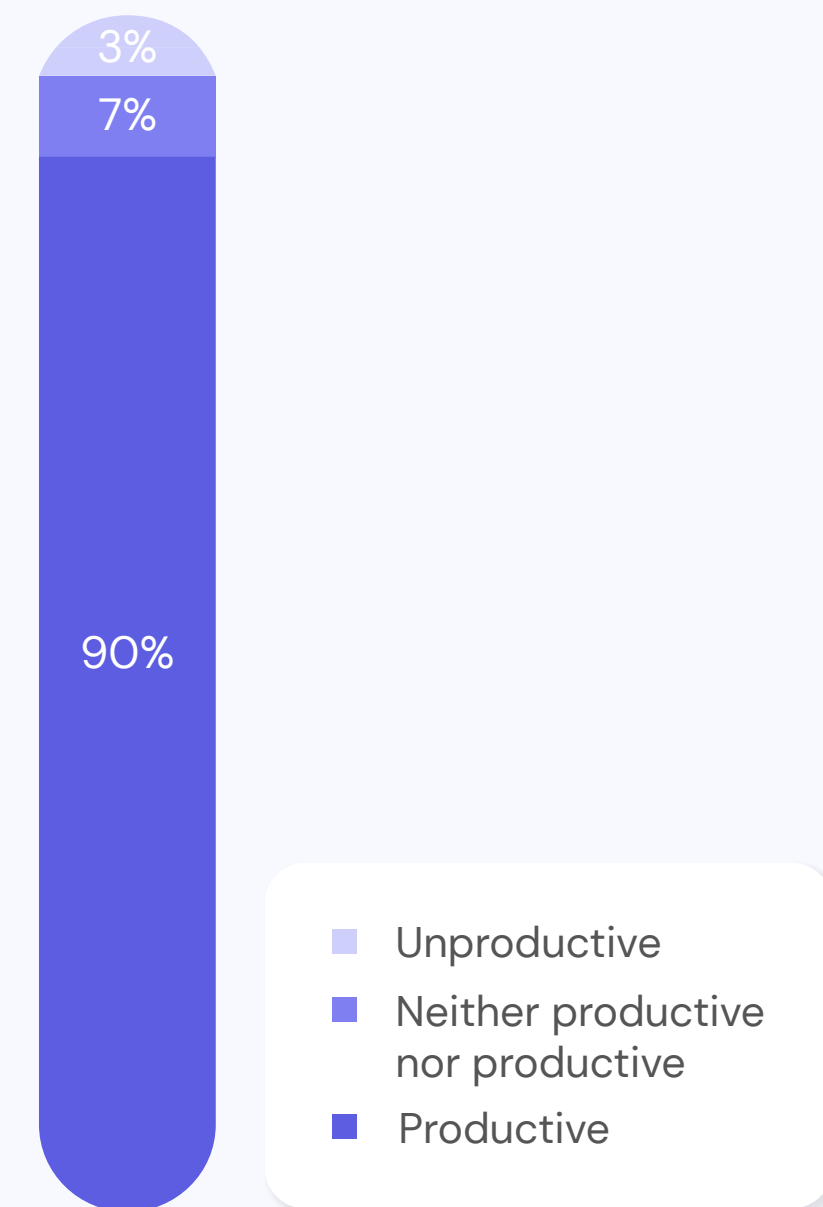
Base = All employees (n=2000)
Q23: How productive would you rate meetings that do have agendas?
Q24: What percentage of your weekly meetings would you say are a good use of your time?

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Both HR leaders and employees are making good use of AI

90% of HR leaders and 75% of employees use AI at work at least once a week. With 91% of HR professionals reporting that AI has improved their people ops processes and 85% of workers noticing a productivity boost, AI clearly enhances operational efficiency.

HR leaders
We asked HR leaders about the impact of AI on HR processes

8% 1%

91%
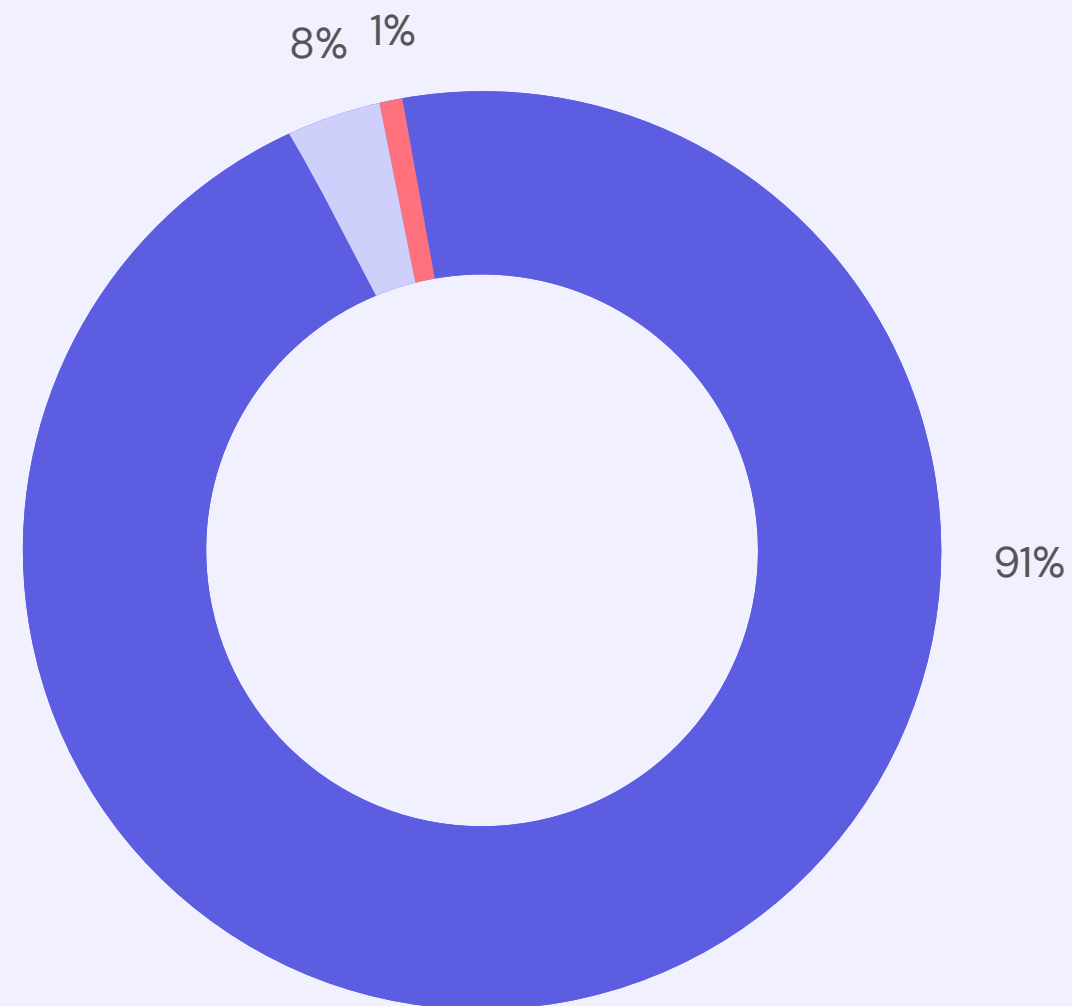
Employees
We asked employees about the impact of AI on productivity

3% 12%

85%
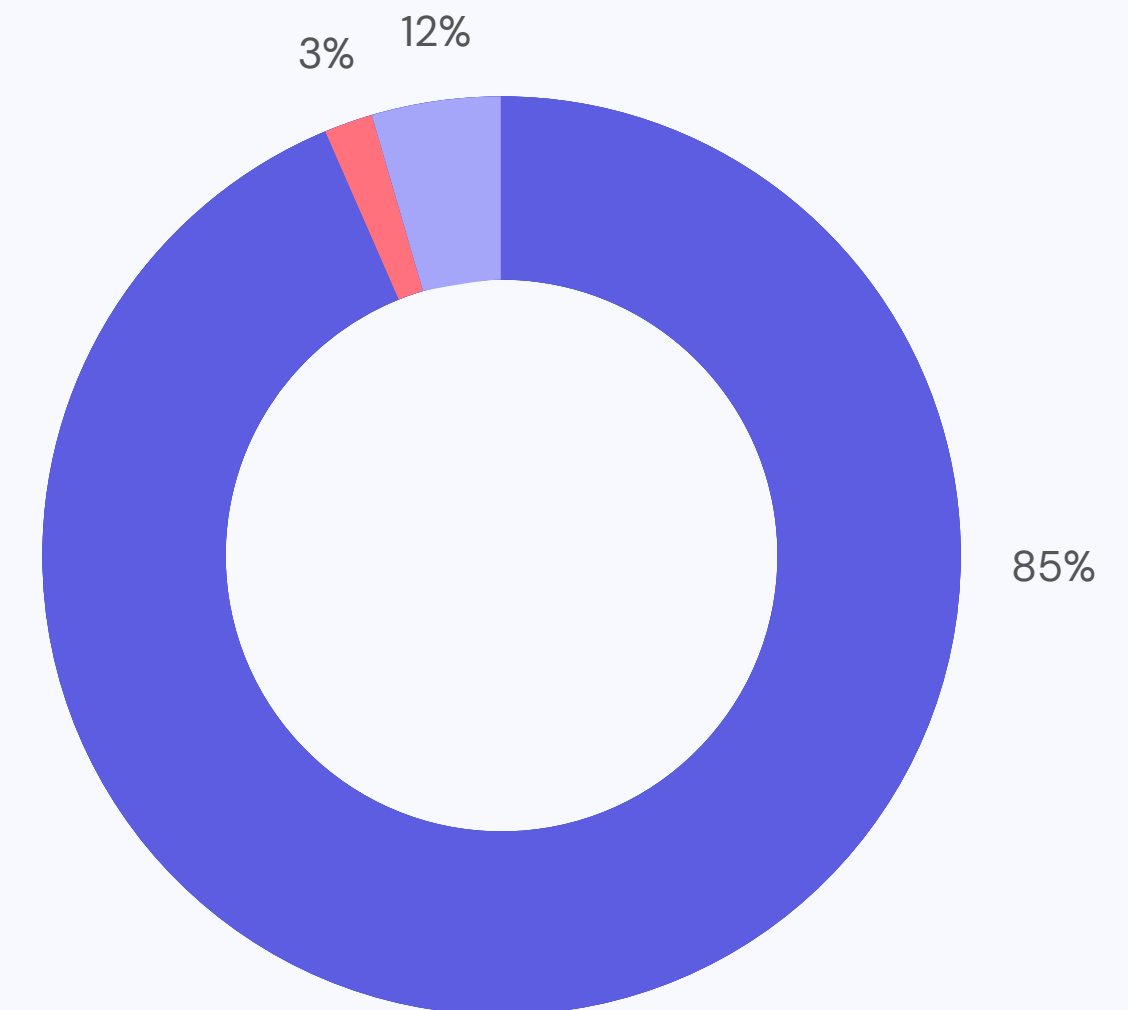
Legend:
- No impact
- Negative impact
- Positive impact

Base = HR leaders (n=500)
Q4: What impact do you think the use of AI in your role has had on HR processes?
Base = All employees (n=2000)
Q4: What impact do you think the use of AI in your role has had on your productivity?

Beyond the *Numbers*
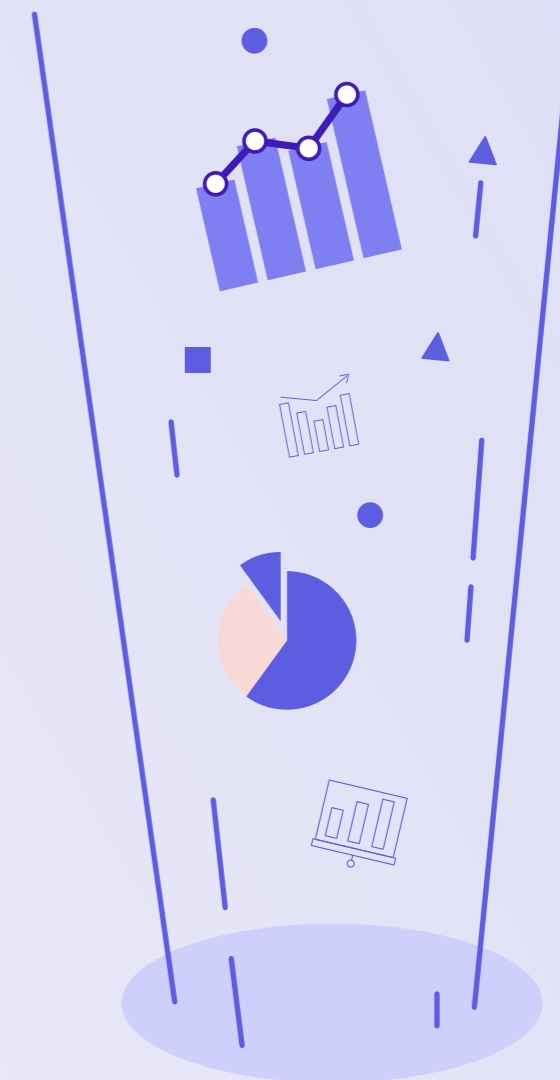
We asked *500 HR leaders* to anonymously share their biggest *pain points*.

This is what they said...

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Pain point #1:

Communication & employee engagement: Effectively communicating HR policy & initiatives while maintaining employee morale.

" Cultivating a positive and inclusive company culture that aligns with the company's values and supports employee engagement.

" Guiding employees through organizational changes, such as mergers, restructuring or new policies, requires effective communication and support.

" New employees leave easily and are less willing to communicate.

Pain point #2:

Talent acquisition & retention: Challenges of retaining and developing high–quality talent in a competitive market.

"

In terms of employee retention, we lack an effective mechanism to discover outstanding and potential employees.

"

Designing and delivering training programs tailored to the needs of employees and measuring the effectiveness of the training can be a challenging task.

"

Attracting and retaining top talent, especially in competitive job markets, can be difficult and time consuming.

Base: All HR leaders (n=500)
Q22: What are the biggest pain points you face in your role??

Pain point #3:

Workload & time management: Difficulties of managing heavy workloads and complex tasks often within limited timeframes.

"

One of the biggest pain points in my role is managing time effectively. It can be challenging to balance different tasks and prioritize them.

"

A common pain point at work is time management, which hinders both growth, development, and upskilling of team members.

"

The modern working environment changes rapidly: new technologies, globalization, and remote office factors.

We asked *2000 employees* to anonymously share what HR could do to *improve their roles* beyond a raise or promotion.

This is what they said...

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Feedback, recognition & transparency: Employees value regular exchanges and a people-first approach

> Conduct regular performance evaluations and feedback to ensure that I have a clear understanding of my own performance. (UK)

> Clear guidelines on my role, as well as properly rewarding people for their work. I have not had clarity on promotions or leveling and leadership feels fickle. (US)

> Be more open to feedback and focus on employee satisfaction. (US)

Professional development & training: Employees seek to enhance their skills and identify paths for advancement

" Improve employee skills and promote career growth by providing continuous learning and development opportunities. (FR)

" Better promotion opportunities and remove barriers to career progression. (UK)

" Access to leadership development programs and training for future management roles. (US)

Work-life balance & flexibility: Employees prioritize work-life balance and flexibility to reduce stress and enhance productivity

A more flexible work schedule might encourage people to produce better work. (US)

Allowing employees to have flexibility in their hours of work and the ability to work from home can help improve work–life balance and increase productivity. (US)

A system to improve work/life balance across the business. (UK)

The Solution:
People Enablement

Now is the time for engagement, performance, and alignment initiatives

From C–level to employees, support for people enablement is at an all–time high.

We asked HR leaders how committed their C-level is to prioritizing people enablement

2%
neither committed nor uncommitted

47%
somewhat
committed

97%
very / somewhat
committed

51%
very
committed
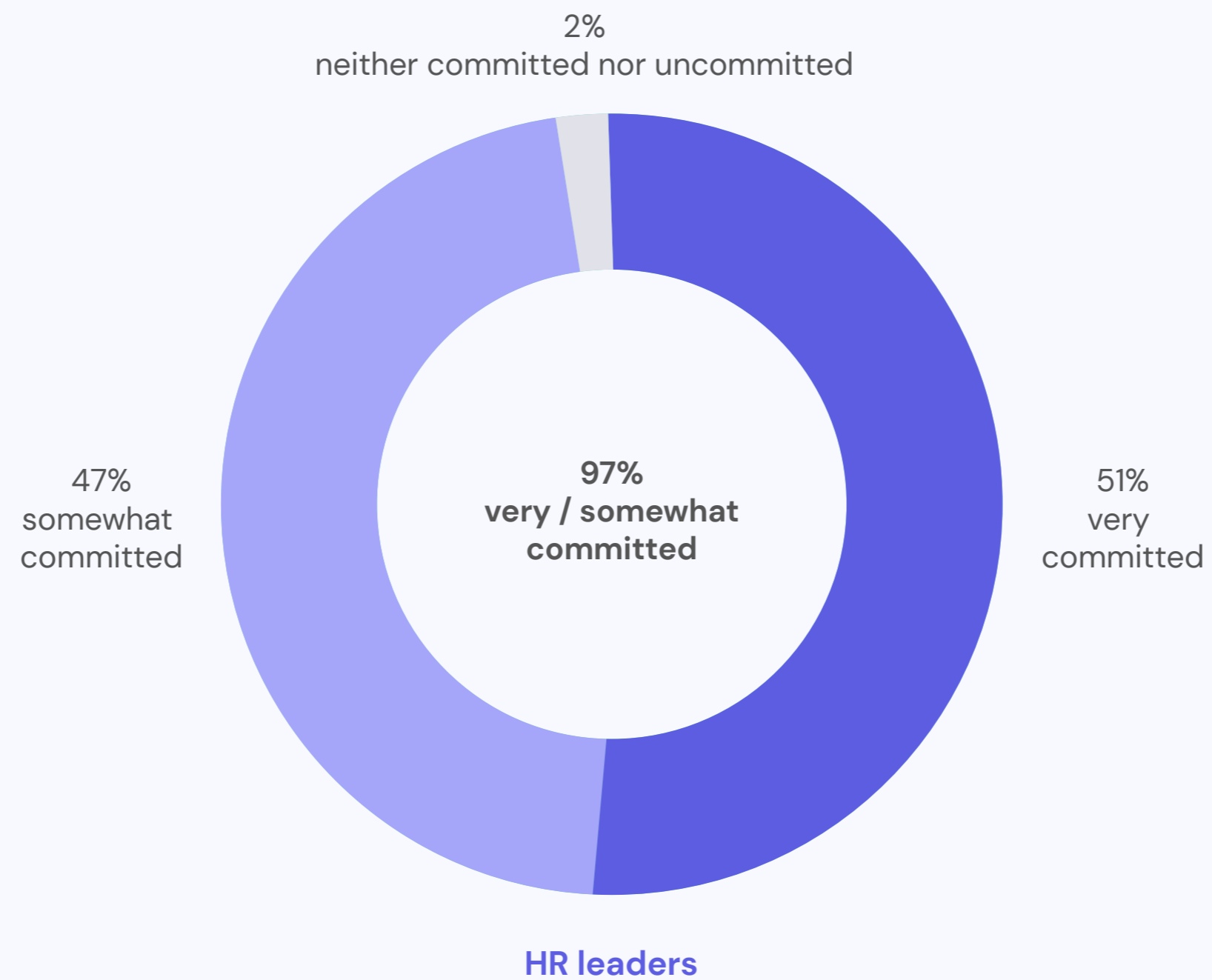
HR leaders

Base: All HR leaders (n=500)
Q19: How committed is the C-Level in your company to prioritizing people enablement?

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What is people enablement?

People enablement is a system to help employees succeed and drive organizational success. **This system has three pillars:**

1. Alignment:

Making sure everyone in the company understands where the company is headed and how their work contributes to the bigger picture.

2. Individual support:

Helping each employee understand their strengths, what is expected of them, and what they need to do to progress to the next level.
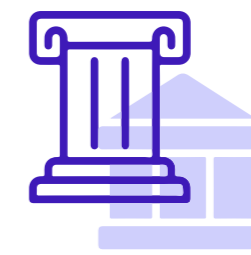
3. Environment:

Creating a workplace culture that supports employee success. This includes providing opportunities for continuous learning, building psychological safety, and encouraging feedback.

How to gain the insights needed to understand employees:

HR leaders can close the perception gap by investing in more robust tracking of critical employee metrics such as engagement, satisfaction, and turnover. With higher levels of disengagement among employees planning to leave their current roles, people ops professionals should make full use of all tools, channels, and strategies available to continuously measure and maintain employee engagement. Methods include dedicated employee engagement surveys, anonymous suggestion boxes, and monthly pulse checks. With comprehensive data, analytics, and insights, HR leaders can strategically plan and preemptively address issues, preventing increased turnover and ensuring long-term business success.

How to give employees the support they need:

People ops professionals should encourage a feedback-rich culture cemented by continuous recognition, opportunities for candid exchange, and easy-to-implement feedback rituals to increase employee satisfaction and productivity. Within that culture, regular performance and 360° reviews can provide a roadmap for professional growth and development, keeping people aligned and engaged. To fully support and retain your best talent, commit to transparent compensation management and recurring benchmarking to ensure your staff is being paid fairly and in line with current market dynamics.

How to increase efficiency and create a productive working enviroment:

By implementing a structured approach to meetings, using well–defined agendas, and assigning action items with clear deadlines, organizations can boost efficiency and establish a more productive working environment. HR leaders should also look into leveraging AI–enhanced software to generate transparent career development frameworks, support managers in writing and summarizing actionable feedback, and offer tailored learning recommendations based on individual employee assessments. Overall, digital productivity tools can help people ops professionals streamline processes, facilitate collaboration, and manage projects effectively.

Ready to build a *high-performing* and *resilient* organization?

See Leapsome's all–in–one intelligent people enablement platform in action.

Book a demo

Methodology & Respondent Profile

Methodology

Research objective

We set out to discover how HR leaders and employees are faring in the rapidly transforming world of work. Amid so much change and uncertainty, we wanted to understand how well-equipped HR leaders are to drive employee engagement, performance, and development, and how supported employees feel to thrive in their roles. We surveyed both groups to identify whether they're sufficiently aligned to drive organizational success.

Respondents

HR leaders aged 18+, US residents who are:

- Employed full-time
- HR/People team leaders
- Work in tech/consulting/
- Professional services/agency space
- Company headcount 500-10K

Employees aged 18+ US, UK, FR, DE residents who are:

- Employed full-time
- Not HR, board-level or C-suite
- Work in tech/consulting/ professional services/agency space
- Company headcount 500-10K
- 80%+ of working time spent at a desk
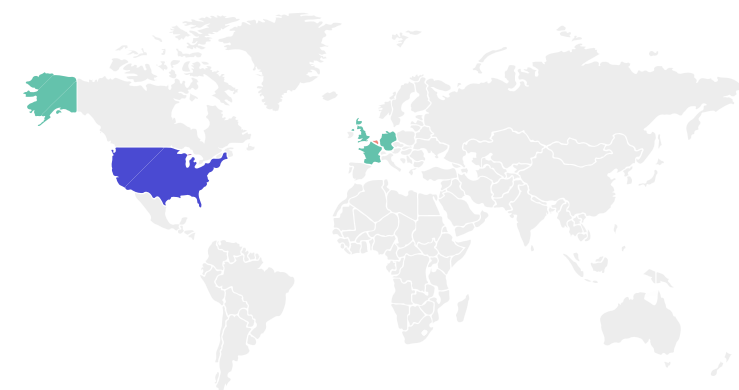- Company uses an HR platform

Approach

12-15 minute online survey

Fieldwork

HR leaders: August 2-16
US employees: August 2-22
EU employees: August 18-28

Markets

US HR leaders N=500
US employees N=1000
UK employees N=368
FR employees N=311
DE employees N=341

HR leaders profile

Company Size

- 55% 1000-2499
- 25% 500-999
- 21% 2500-4999
- 1% 5000-10000

Company Revenue

- 32% $50 million–<$500 million
- 28% $500 million–<$1 billion
- 13% <$50 million
- 27% $1 billion+

Industry

- 9% PR/advertising
- 34% Business consulting /professional services
- 57% Technology

Tenure

- 45% 5 years –<7 years
- 21% 7 years –<10 years
- 27% < 5 years
- 7% 10 years+

HR Responsibilities

Managing an HR team, or other HR staff	91%
Mantaining HR records	86%
Managing performance review process	77%
Overseeing employee feedback surveys	70%
Overseeing recruitment	66%
Coordinating training activities	66%
Onboarding new hires	62%
Ensurance compliance with company policies and procedures	58%
Administering payroll	55%

Employee profile

	🇺🇸	🇬🇧	🇫🇷	🇩🇪
Mean % time spent at desk	89%	91%	89%	90%
Company Headcount				
500–999	29%	38%	34%	39%
1000–2499	36%	36%	35%	35%
2500–4999	24%	15%	22%	19%
5000–10000	11%	11%	8%	6%
Industry				
Business consulting/professional services/management consulting	33%	35%	24%	25%
Public relations/ advertising/agency	2%	9%	6%	5%
Technology (computer/mobile device hardware, software, services)	65%	56%	70%	74%

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Job Function				
IT	57%	39%	46%	50%
Operations	10%	15%	16%	5%
Research/Development	7%	6%	7%	4%
Customer Service	7%	9%	11%	10%
Sales/Marketing	4%	9%	4%	6%
Finance/Accounting	4%	11%	9%	15%
Production & manufacturing	4%	3%	5%	9%
Procurement	3%	5%	0%	0%
Legal	1%	1%	2%	1%
Other	3%	3%	1%	1%
Position				
Manager or leader of a department	52%	54%	49%	53%
Experienced individual contributor	37%	35%	41%	39%
Junior or entry level employee	10%	11%	10%	7%
Other	0%	0%	0%	1%

Base: All employees
US employees (n=1000); UK employees (n=368); FR employees (n=311); DE employees (n=341)
Note: Letters indicate result is significantly higher than the corresponding group at 95% confidence level

Leapsome