

The logo for WeSpire features the word "WeSpire" in a white, rounded, cursive-style font. The letter "W" is stylized with a starburst shape at its top left. The text is set against a solid blue background.

**STATE OF  
EMPLOYEE  
ENGAGEMENT**

**2021**

**Welcome to the tenth State of Employee Engagement report. This year, however, is also unlike any other. For the past decade, WeSpire has been working to understand what employees perceive their company does to engage them at work, what programs are offered, and their opinions about both the effectiveness of these programs and how they shape their sense of purpose at work. As we view all of our data through the lens of the COVID-19 pandemic, a global awakening to systemic racism, and the unprecedented levels of disruption at work and at home, our 2021 data feels consequential in brand new ways.**

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Our analysis pays particular attention to the impact that purpose-based programs, like sustainability, social impact, wellbeing, and diversity and inclusion, have on employee experience.

According to the U.S. Bureau of Labor Statistics, the coronavirus outbreak sent shockwaves through the country's workforce. The economy shed a record 22.2 million jobs in March and April. After falling sharply, U.S. employment began to recover, but only partially. As of February 2021, the U.S. has only recouped about 56% of jobs. For those who were fortunate enough to stay in the workforce, the pandemic brought with it a major shift to our sense of connection and belonging at work.

If there is a silver lining to be found, it exists in the profound new ways we have found to connect with each other—at home, at work, and in our communities—demonstrating how resilient the human spirit can be. Our last ten years of research have consistently shown that having a strategy to form strong connections through employee experience programs gives employers an advantage in cultivating a resilient and thriving workforce.

According to a 2020 report from McKinsey & Company on COVID-19 and the employee experience, the way organizations respond is having a tangible impact on employees. Their research found leaders can take steps to support employees by prioritizing engagement and activities that emphasize relationships, social cohesion, and purpose. In addition, leveraging technology, data, and analytics can help to tailor support for employees in personalized and meaningful ways.

With this in mind, we asked respondents to rank the top five issues weighing on their minds this year. We also asked HR to rank what they perceive to be the top five issues for their employee communities.

We asked employees to consider not only their companies' existing employee experience programs, but also the programs they want in light of the drastically different world we find ourselves in today.

We also gauged interest levels in pro-social incentives, like employer-sponsored giving, volunteering, mental health support, and more. Finally, we delved even deeper this year into the intersection between retention and employees' sense of purpose and were struck by the unmistakable connections. (Spoiler alert: your company's positive impact in the world matters—big time.)

## KEY FINDINGS

Leaders seeking to manage the employee experience for greater engagement and productivity, as well as accommodate evolving workplace expectations should keep these key findings in mind:

- Purpose and positive impact matter. Over the past three years, the trends show that more than half of all employees are open to leaving their current company for new roles, but this drops to less than 12% if they believe that their company is making a positive impact in the world.
- If this year has shown us anything, staying connected is paramount to thriving workforce communities, and a primary way to accomplish this is through a strong, well-executed employee engagement strategy. Employees working at companies with an established employee engagement program are 25% more likely to recommend their employer.
- Since the start of COVID, employees report their motivation to participate in employee engagement programs has increased by 20% on average.
- However, there are multiple gaps in understanding how large a role human resources plays in shaping these opportunities, including communication of programming and offers; who the main drivers of employee experience are; and human resources' perception of what is important to employees, especially in cultivating a sense of connection and belonging at work.

We hope this research helps you make the case for the importance of engaging employees in purpose and impact, but also with the specifics of what to do and how to do it well.



A handwritten signature in black ink that reads "Susan Hunt Stevens".

Susan Hunt Stevens  
Founder & CEO, WeSpire



**In the wake of a year of extreme change, leaders are preparing for the challenging road ahead.**

**Undoubtedly, we are entering a period of continuous disruption, impacted by climate change, uncharted economic waters, and country-wide political division.**

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In the 2021 Deloitte Global Human Capital Trends survey, executives identified “the ability of their people to adapt, reskill, and assume new roles” as the top-ranked element needed to navigate future disruptions, with 72% selecting it as the most important or second most important factor. Yet, according to their research, only 17% say their workers are ready.

## **SO, HOW DO WE PREPARE?**

WeSpire’s research shows that every organization will require a unified employee experience to ensure resilience, adaptability and—above all—a sense of purpose in the workplace. Drawing on more than a decade of data, WeSpire has identified the most pressing employee experience themes.

Please use this report as a roadmap to help your organization prepare and meet the new challenges we face and, in turn, drive meaningful and impactful business results.

# EMPLOYEE RETENTION AND PURPOSE

For the past three years, we have asked employees how likely they are to leave their current job. In 2019, 62% of all employees were actively looking or open to new opportunities. This year's survey observed a decrease in this trend by about 5 percentage points. This year, 57% of all employees are actively looking or open to new opportunities, comparable to the data we collected in 2017-2018, when 58% of the job force was actively searching.

The data gets more interesting as we take a closer look at how employees perceive their company's positive impact in the world as well as their own. For those who believe they are personally making a positive impact in the world through the work they do, only 14% are actively looking for new opportunities. For those who strongly believe they are making a positive, only 10% are actively looking for new opportunities.

Likewise, for those who believe that their company is making a positive impact in the world, only 12% are actively looking for new opportunities. And for those that strongly believe their company is making a positive impact, only 7% are actively looking.

QR Workers who knew they were pursuing social purpose were 24% faster and had 43% less downtime than those who didn't, and there was no loss of quality.

— BEA BOCCALANDRO, AUTHOR OF  
*DO GOOD AT WORK: HOW SIMPLE  
ACTS OF SOCIAL PURPOSE DRIVE  
SUCCESS*

57%

of all employees in 2021 are actively looking or open to new opportunities

VS.

14%

of employees in 2021 who believe they are making a positive impact in the world through the work they do are actively looking or open to new opportunities

12%

of all employees who believe their company is making a positive impact are actively looking

7%

of all employees who **strongly** believe their company is making a positive impact are actively looking

# OFFICIAL ENGAGEMENT STRATEGY

This year, 39% of respondents across all job functions reported that their organization had an official employee engagement strategy, a slight drop from 42% in 2019 and a corresponding increase in those employees who were unsure (27% in 2019 to 29% in 2021). This indicates that while there was consistency among those who reported that their organization didn't have a strategy (31%) in both 2021 and 2019, there was more uncertainty, likely from the rapid pivot from in-person communications to digital-only communications.

While there may be a gap in understanding if their company has an official strategy, there's no doubt that having an official strategy is critical. Most employees agree that an employee engagement strategy is important to them. Likewise, employees working at companies with an established employee engagement program are 25% more likely to recommend their employer.

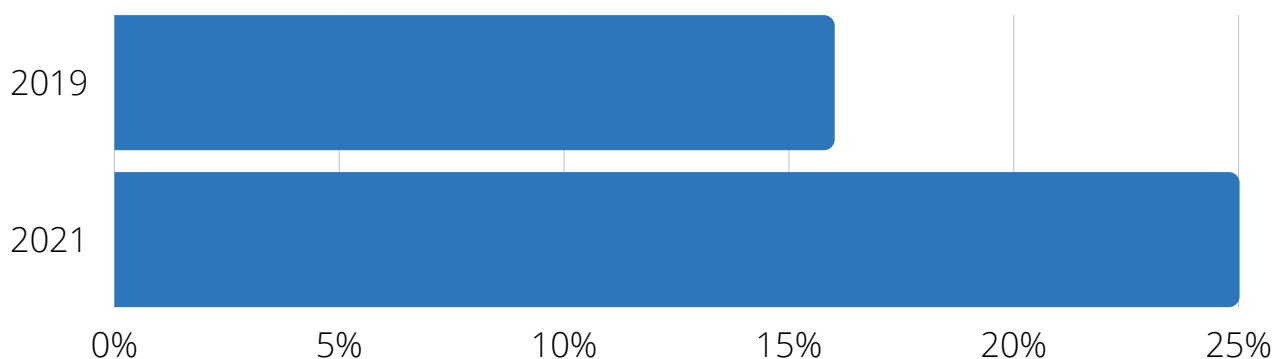
Compared to our research in 2019, which showed employees working at companies with an official strategy in place are 16% more likely to recommend their employer, this is a significant area of growth, signifying yet again that the value generated by an employee engagement program contributes significantly to net promoter scores.



To foster a culture of engagement, HR should lead the way in the design, measurement and evaluation of proactive workplace policies and practices that help attract and retain talent.

– SOCIETY FOR HUMAN RESOURCES MANAGEMENT, DEVELOPING AND SUSTAINING EMPLOYEE ENGAGEMENT

## EMPLOYEES WORKING AT COMPANIES WITH AN ESTABLISHED EMPLOYEE ENGAGEMENT PROGRAM ARE 25% MORE LIKELY TO RECOMMEND THEIR EMPLOYER



# INFLUENCES ON DESIRE TO PARTICIPATE

Given everything that is happening in the world today, we asked employees to rank the top five things weighing on their minds. Financial security, personal health, family health, stress and mental health, and job security topped the list.

Alternatively, when we asked HR professionals to rank the same categories of concern and those that they perceived to be the top of mind for their employee community, the results were somewhat misaligned. Most underestimated by HR were the categories around social unrest and social isolation.

With personal health ranking second overall, only 4 out of every 10 employees report their company had existing health and wellbeing programs in place. In 2019, wellbeing programs were requested by 18% of companies with an employee engagement strategy. This year, we see requests holding steady at 18% where there is already a strategy in place.

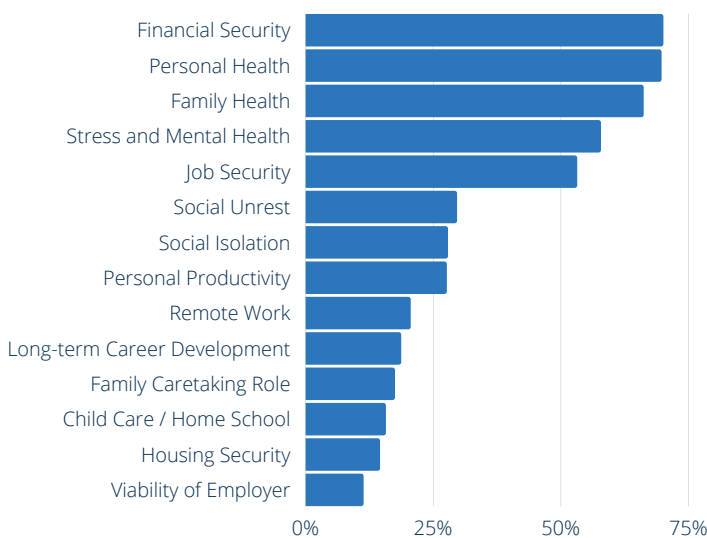
For companies who don't have an official strategy, requests for health and wellbeing programs increased by 7 percentage points. While 35% of employees said their company did not create any new programs in response to COVID-19, more than a quarter reported the launch of new wellness and stress management programs—the highest in the category of new programs overall.



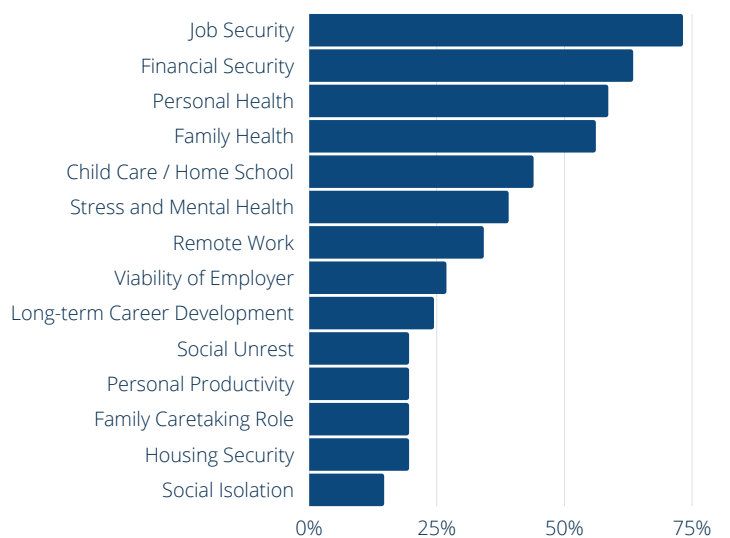
The pandemic has taken an emotional toll on the public, as self-reported worry soared during the first month of restrictions... The trajectory of Americans' emotional wellbeing may depend greatly on what happens with the disease as restrictions are eased.

— GALLUP

## EMPLOYEE CONCERNS RANKED



## HR PERCEIVED CONCERNS RANKED



This misalignment has been investigated by other researchers currently looking at the impact of COVID on the workforce. While some industries were poised to shift to telework, the Pew Research Center reports that 66% of employees in the same job they had before the outbreak are particularly likely to say they feel less connected to their workplace community than before the pandemic. Likewise, a May 2020 Gallup survey showed 47% of employees felt worried and 24% felt lonely.

In response to the disruption, heightened levels of disconnection, and uncertainty at work, employees have seen new engagement programs introduced in the workplace. And, since the start of COVID 19, employees report that their motivation to participate in these programs has increased by 20% on average.

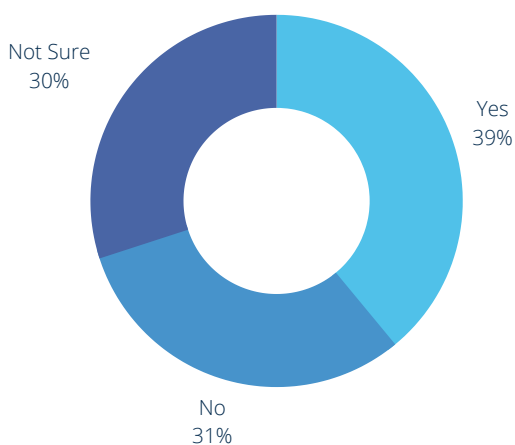
In the social impact category, 28% said their company had a strategy for charitable giving and 23% said their company had a volunteering or community service program. In response to COVID-19, 16% reported virtual new opportunities to engage or volunteer and nearly 20% reported new opportunities to participate in company-supported charitable giving. There is growing interest in these areas, with almost a quarter of employees indicating they would like to see more comparable programming offered.



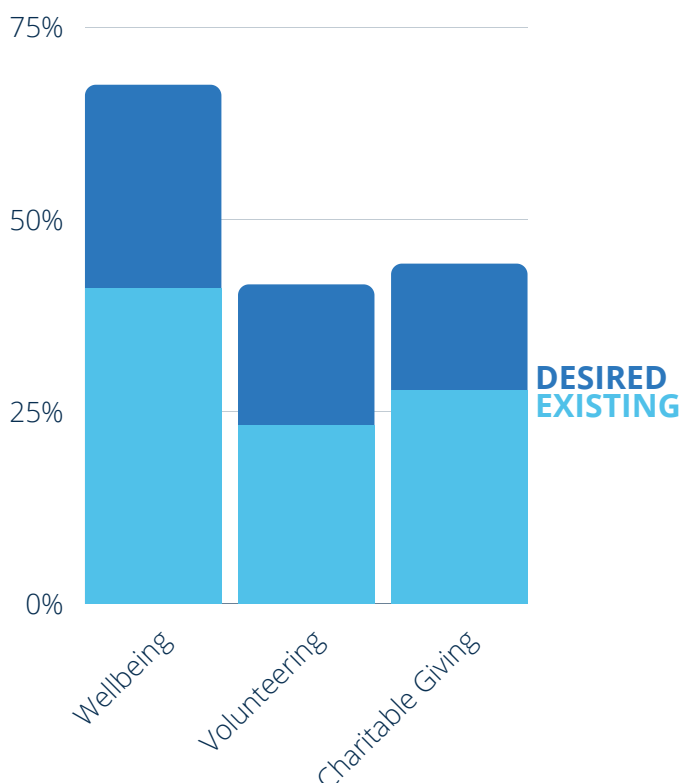
Despite the drain of video calls for some, more than half of workers...say online tools are a good substitute for in-person contact.

— PEW RESEARCH CENTER

### DOES YOUR COMPANY HAVE AN OFFICIAL ENGAGEMENT STRATEGY?



### EXISTING PROGRAMS VS. DESIRED PROGRAMS





Last but certainly not least, our data is showing the percentage of companies that provide Diversity, Equity, and Inclusion (DE&I) programs has fallen. In 2019, we saw the biggest increase in any program—from 29% to 37%—indicating that employers are recognizing they need to do more to ensure a culture of inclusivity. Now, only 24% of employees are reporting that their company has formal DE&I programs in place.

WeSpire is alarmed by this drop. Given the jump in 2019 and the inflection point we are going through as an American society, we expected to see continued growth in DE&I programs. One hypothesis is that many of these programs relied on in-person connections and meetings, facilitated through Employee Resource Groups (ERGs) that have struggled to find their footing in a virtual world.

According to research from RedThread, the events of 2020 created a business imperative to address and rethink their DE&I practices. They expect to see technology drive greater ownership for DE&I strategies over the next several years, and it is our strong belief that—as greater tools are available to support DE&I efforts and as companies begin to formulate more thoughtful plans for integrating racial justice and equity into the workplace—we will see a rebound in this number in the future.

**QR** As orgs feel the pressure to take a stand, and act against systemic racism and gender discrimination, they'll no longer be satisfied with technologies that only go so far as providing data...tech must be able to: 1) make recommendations, and highlight and prioritize specific actions for leaders; 2) connect these actions to business outcomes; and 3) Offer scenarios for how it may impact the org if those actions aren't implemented.

— STACIA GARR, CO-FOUNDER & PRINCIPAL ANALYST, REDTHREAD RESEARCH

# PROSOCIAL INCENTIVES AND CURATION

It is clearer now than ever that companies who support employees at a personalized level—in areas like wellbeing, sense of prosocial impact, and purpose-based initiatives—enable employees to perform at a higher level. According to Gartner’s 2020 ReimagineHR Employee Survey, employers that support employees with their life experience see a 23% increase in the number of employees reporting better mental health and a 17% increase in the number of those reporting better physical health. Employers also see a 21% increase in the number of high performers compared to organizations that don’t provide the same degree of support to their employees.

For the second year, WeSpire asked about the desirability of various different types of incentives. Overall, our data shows gift cards are the most popular type of reward across all age groups, with 47% of employees ranking it as number one for the second year in a row.

What’s interesting, however, is that this ranking is a 10 percentage point drop from 2019, where 57% of respondents ranked gift cards as the number one incentive. While, in 2019, employees ranked money towards educational opportunities as the second most important, credits for fitness and wellbeing third, and money put toward donations to nonprofit organizations as number four, we saw big gains this year in prosocial reward interests specifically around charitable giving and sustainability. This year, respondents ranked money put toward donations to nonprofits as the second most important incentive, followed by credits for fitness and wellbeing, and money put towards sustainability efforts, like home or vehicle upgrades, and carbon offsets.

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## 2021 REWARDS RANKED

1. Gift cards to merchants
2. **Donations to non-profits**
3. Credits for fitness/spa/wellbeing
4. Sustainability (i.e., home upgrades, carbon offsets)
5. Classes and educational opportunities
6. Start-Up Investments (i.e., Kiva, Kickstarter)
7. Donations to individuals (i.e., GoFundMe)
8. Money put toward travel experiences

## 2019 REWARDS RANKED

1. Gift cards to merchants
2. Classes and educational opportunities
3. Credits for fitness/spa/wellbeing
4. **Donations to non-profits**
5. Money put toward travel experiences
6. Sustainability (i.e., home upgrades, carbon offsets)
7. Donations to individuals (i.e., GoFundMe)
8. Start-Up Investments (i.e., Kiva, Kickstarter)

# PROSOCIAL INCENTIVES AND COMMUNICATION STRATEGY

In this survey, we did not find significant differences in prosocial rewards interests based on age. In 2019, our data showed millennials and Gen Z workers preferred educational opportunities and sustainability upgrades more than older generations. This year, incentives were consistent across age, indicating a universal shift towards rewards imbued with meaning, purpose, and intention, and not just commerce. As we have cited in the past, industrial psychology research has shown that non-cash, thoughtfully selected rewards have the power to boost employees' intrinsic motivation, encouraging them to enact purpose and meaning at work.

Likewise, our data shows consistency despite the tremendous global changes in the past year. In an age of remote work and new ways of connecting, email continues to be a key driver of awareness about employee engagement programs, with 58% of employees reporting this as their preferred way to learn about their company's efforts. We often hear customers and clients worry about overwhelming employees' inboxes, but targeted emails using more relevant, employee-centric tactics continue to be the most valuable methods of communication.

Unsurprisingly, we saw a big drop in employee preference for in situ signs in the building from 2019 (27%) to today (18%), as well as a more unexpected drop in the preference for intranet from 2019 (15%) to today (12%). This is attributable to the rise in preference for online apps and social platforms (a combined 11%), compared to 9% in 2019.

# LOOKING BACK AT THE LAST DECADE

As we entered this new decade, we took a moment to look back on the data we have been collecting for the last ten years and we are excited to trace growing efficacy for the employee experience and the need for a well-rounded approach to the purpose-based initiatives delivered in the workplace.

## 2009

Since 2009, the data has evolved from employees advocating for these programs to leaders developing clarity in order to make the work a priority. Specifically, our 2014 report, which captured five years of trending data around employee engagement at the intersection of sustainability and CSR, is where WeSpire began to see employees articulate a desire for purpose-based workplace initiatives. More than half of those surveyed between 2009 and 2014 expressed interest in seeing purpose as part of their workdays.

## 2015

While this call to action continued over the years, companies didn't always have a clear path forward. WeSpire's 2015 report found, while most executives saw a clear need to improve employee engagement, there was some uncertainty on how to answer the call and how to leverage technology to effectively quantify and measure the impact of engagement initiatives. Key findings from 2015 underscored three needs: supportive leadership, a well-communicated employee engagement plan, and a choice in the types of programs offered by their company.

## 2016

Our 2016 report found a clear correlation between employee engagement and an individual employee's sense that they are able to make a positive impact through their work and the opportunities available through their organization. On an individual level, 83 percent of respondents felt they were making a positive impact at their organization. Among employees whose companies had a clear employee engagement strategy, that percentage rose to nearly 90.

## 2018

In 2018—named “The Year of Employee Experience” by Forbes—our data underscored just how important an employees' connection to the organization is to the bottom line of the business. Likewise, 2018 was a tipping point where both employees and companies started to see the opportunity for deeper dialogue and interaction around purpose. The data again confirmed that by simply having an official employee engagement strategy, companies can increase the number of employees who feel able to make a positive impact at work by 21 percent. At the time, employers were beginning to ask their workforce about the types of programs they wished to see. Employees, in turn, indicated a desire to be inspired by the company culture and take part designing the programs offered by their companies.

## 2019

In 2019, WeSpire's research showed conclusive evidence that every company needs to have a clear, well-understood strategy for engaging their employees, particularly surrounding purpose-based programs. The most critical success factors in 2019 were improving employee awareness and communications and encouraging manager support. Likewise, while wellbeing and rewards were the most commonly offered engagement programs, diversity and inclusion programs saw a significant increase between 2018 and 2019. The percentage of companies that provided inclusive culture programs rose by 37%.

# WHAT WE KNOW TO BE TRUE

While our collective journey towards recovery from COVID-19 is bound to continue to transform the future of work, there are currently other pandemics sweeping the United States right now: climate change, historical economic disruption, systemic racism, and country-wide political division. It is impossible to treat these pandemics as separate events; they all interact and combine, exacerbating vulnerabilities in our lives at work and at home. While it is essential to understand and acknowledge the profound challenges to health, life, and wellbeing that they pose, it is also critical that workplaces around the world are able to envision the possibility of surviving—and are taking action to design strategies that help employees to thrive in the wake of these ailments.

Here's the truth: your people strategy enables employees to adapt, to stay connected despite extreme disruption, and to harness their own sense of impact and purpose. All of this is imperative to business success and the bottom line—and, undoubtedly, it is the difference between surviving and thriving.

20%

**Employees motivation to participate in engagement programs has increased by 20%** since the start of the COVID pandemic.

12%

**Purpose and positive impact matter.** Over the past three years, the trends show that more than half of all employees are open to leaving their current company for new roles, but this drops to less than 12% if they believe that their company is making a positive impact in the world.

25%

**Staying connected is paramount to thriving workforce communities,** and a primary way to accomplish this is through a strong, well-executed employee engagement strategy. Employees working at companies with an established employee engagement program are 25% more likely to recommend their employer.

**What has emerged in 2021 is that, while everything seems to have changed around us, what employees want has remained consistent—in particular around program planning and delivery of information about engagement initiatives.**

As you plan for further change, here are the factors and data points on which leaders can rely.

1

## **Purpose is Paramount**

Engagement and purpose at work are still critical to a successful and resilient workforce. Likewise, positive social impact of the employee and organization is key. For employees that strongly believe their company is making a positive impact, 93% are likely to stay in their current role.

2

## **Invest in Prosocial Incentives**

Interest in prosocial incentives continues to grow across all facets of the workforce and all age groups, indicating a universal shift towards rewards imbued with meaning, purpose, and intention.

3

## **Email Drives Awareness**

In an age of remote work and new ways of connecting, email continues to be a key driver of awareness about employee engagement programs, with nearly 6 in 10 employees reporting this as their preferred way to learn about their company's efforts.

4

## **Right People, Clear Strategy**

If companies want to get serious about improving employee engagement, it's time to put the right people and a clear strategy in place. Failure to assign strong leadership or to assimilate a culture shift throughout the organization means that the most important issues to your workforce—from perceptions of impact, to opportunities to address social isolation—stall and disengagement spreads. Establishing a clear owner for employee experience, forming a team-based approach to programs and incentives, and breaking down silos will help to focus engagement efforts and, ultimately, improve the bottom line.

# ABOUT THE RESEARCH

The survey is conducted to understand how organizations engage employees in purpose-driven programs. This year, we surveyed more than 1,800 people who are over the age of 18, employed full-time, and located in the United States with an online questionnaire. The margin of error associated with a sample of this size is  $\pm 5\%$  at a 95% level of confidence.

A total of 1,843 respondents completed the survey. We focused our analysis on data provided by respondents who were currently employed, which was 87% of those who participated—or 1,593 people. The balance of respondents omitted from these results identified as unemployed, furloughed, retired, or self-employed.

We also interpreted data from the perspective of managers and human resource professionals. In our survey population, 35% identified as managers and 3% identified as human resource professionals.

Respondents represented a wide variety of job functions, from education (11%), customer service (10%), and sales (8%), to health care (8%), manufacturing (6%) and information technology (5%). Slightly more than a third of respondents (35%) identified as managers.

Respondents worked for organizations ranging from less than 100 employees (27% of the survey population) to organizations with over 10,000 employees (16% of the survey population). More than 40% of respondents were from organizations of 1,000 or more employees.

The respondents were from a variety of industries; the top three industries include health care (14%) education (12%), and manufacturing (10%); the three least cited include transportation (4%), the nonprofit sector (3%) and energy and utilities (2%).

The age range of respondents spans four generations of the workforce: 21% between the ages of 18 and 29; 28% between 30 and 44; 34% between the ages of 45 and 60; and 16% over the age of 60.

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# ABOUT WeSpire

WeSpire's employee experience technology drives positive behavior change at scale and creates workplaces that are great for your people, your financial performance, and for society. At its core, WeSpire is focused on driving employee activation around four key areas: sustainability, inclusive culture, social impact, and wellbeing. Through great content, cutting-edge gamification, social networking, and pro-social rewards, WeSpire motivates employees to see themselves as a key part of their company's purpose.

The WeSpire platform is effective because it is grounded in behavioral science. Our team of behavior change experts have long had an eye on the combination of employee engagement, digital tools, and positive impact. Our technology ensures your engagement programs deliver value to your businesses, employees, and communities. As a result, WeSpire significantly reduces the internal workload and expertise required to best manage employee engagement communications and measure impact.

**Thank you for your interest in WeSpire's vision for building a better working world.**

## **Contact**

WeSpire, Inc.  
50 Milk Street  
Boston, MA 02109-5002  
[insights@wespire.com](mailto:insights@wespire.com)  
[wespire.com](http://wespire.com)