

2023 State of the Global Workplace research

insights.guidance

for CHROs and CEOs

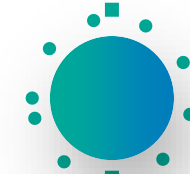
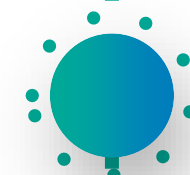




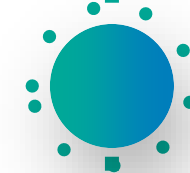
DATA SOURCES



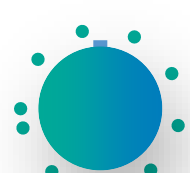
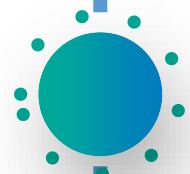
Gartner®



GALLUP®



Performex®



Top Workforce Issues of CEOs and CHROs



Managerial Effectiveness

73

67

#1

Workforce Engagement

68

63

#2

Measurable DEI Progress

60

62

#3

Cultural Drift & Accountability

63

58

#4

EX – Employee Experience

53

#5

■ CEOs ■ CHROs



#01

Managerial Effectiveness

Achieve the position's goals while developing employees, providing recognition, and creating an engaged and motivated team.





Employees' Expectations

Key Issues

These earned the
highest rating for
Managerial Effectiveness
(ME) since we've tracked
the key issues



Hybrid Teams



Labor Shortages



Can't Observe Employees



Management's Expectations



Cost Cutting



Quiet Quitting



Managers spend
less time with their
employees



Chats at the water cooler



Daily Hellos



One-on-one meetings

PRODUCTIVITY IS **DOWN**

CHROs and
CEOs aren't
just intuiting
what the
issues are



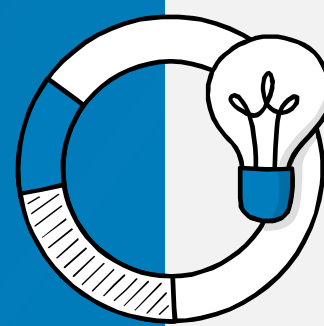
4.1%

ANNUALLY

the biggest decline since 1948¹.

²**First year**

since 1983 to include **3 straight quarters** of
year-over-year drops



People are **working more**
and **producing less**

¹US Bureau of Statistics

²ADP chief economist Neal Richardson said during CNBC's
recent Workforce Executive Council Town Hall.

ENGAGEMENT IS **DOWN**

CHROs and
CEOs aren't
just intuiting
what the
issues are

21%

ONLY
of Employees are Engaged³



Employees is Thriving⁵

Managers Play a Crucial Role

The primary and often **only member of management** employees regularly **interact** with.

A manager's **conduct determines**

70% of a team's
engagement

¹Gartner's "HR Toolkit: Tackling / 2023 Future of Work Trends"
and State of the Global Workplace

PERFORMEX'S Data


¹Our Most Recent Summit Program's 360 Results indicate:
Managers are most challenged with:

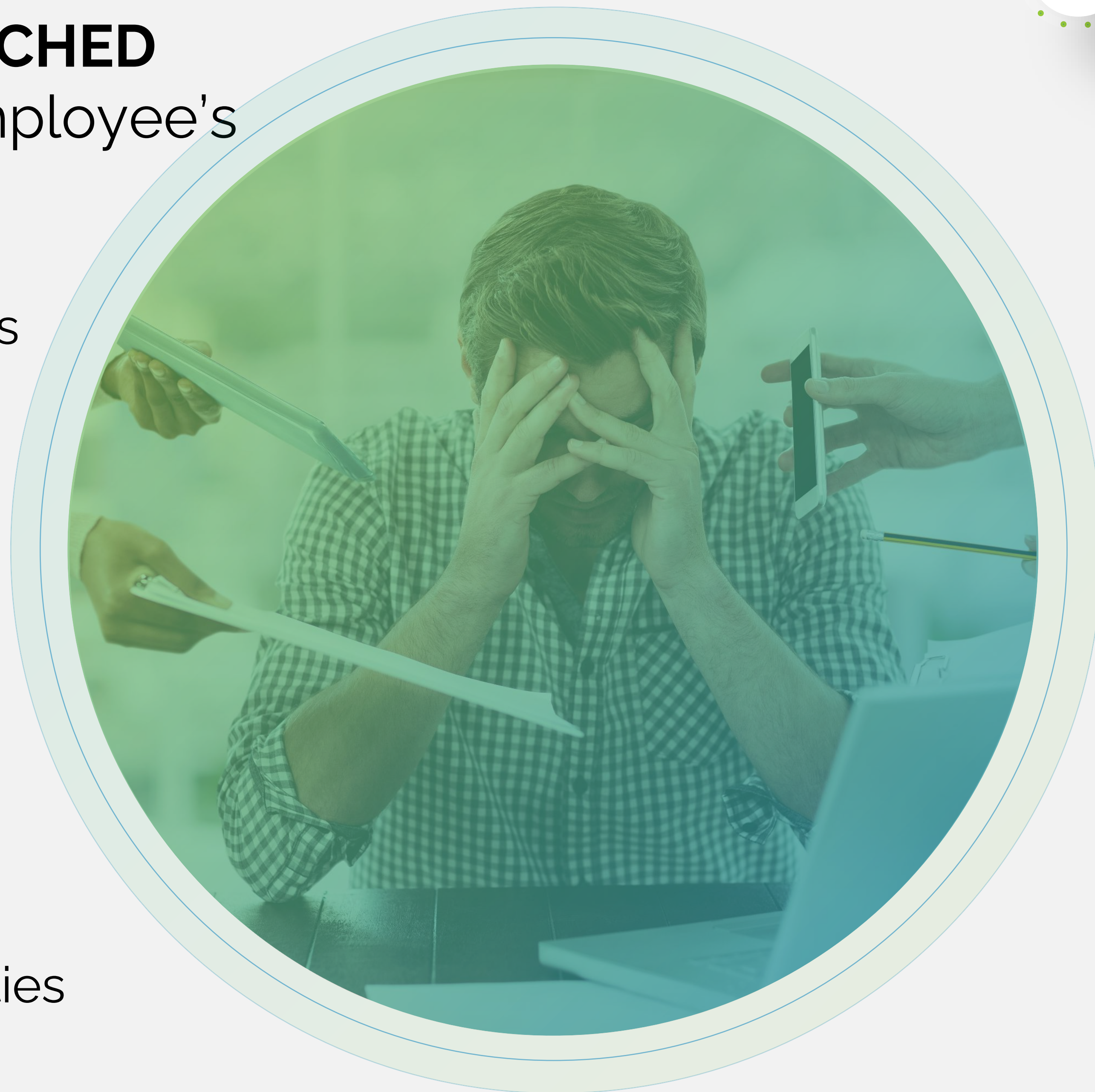


#3 Handling Conflict and #5 Resolving Unit Performance were not in the top 10 challenges before COVID-19.

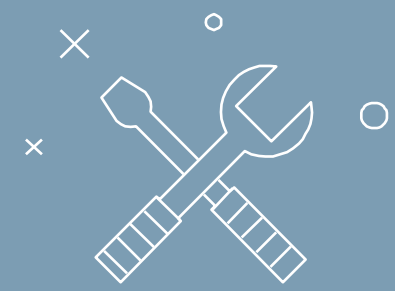
¹N=133 Summit Participants 2020 – 2022 The Top 5 out of 42 Potential Competencies

¹Managers are being **SANDWICHED** between their Leader's and Employee's Expectations

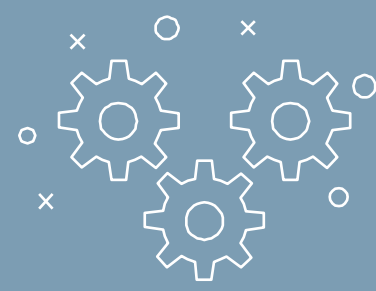
-  Navigating conflicting mandates
-  Expanding responsibilities
-  Wider spans of control
-  Accelerated turnover
-  Lack of direct observation
-  Infrequent in-person opportunities to build relationships



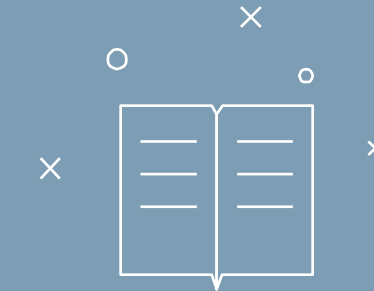
PERFORMEX'S **INSIGHTS:**



Shortage of
The “Right”
skills



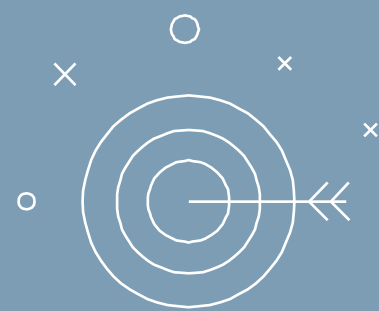
Cultural Drift
&
Accountability



Turnover &
Hiring

Managerial Effectiveness **Impacts All of the Issues** Raised by CHROS and CEOS

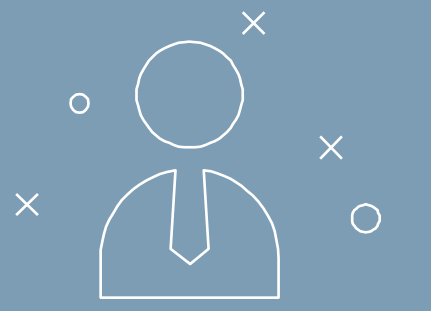
Engagement
/ Quiet
Quitting



Measurable
DEI
Progress



EX –
Employee
Experience



Issue #1

Managerial Effectiveness



Managers Need to Be More **SKILLED** at:

- ★ Coaching / Feedback / Delegation
- ★ Holding People Accountable & Performance Management
- ★ Flawless Execution
- ★ Conducting meaningful one-on-one meetings



With specific emphasis on doing so with **a hybrid workforce**

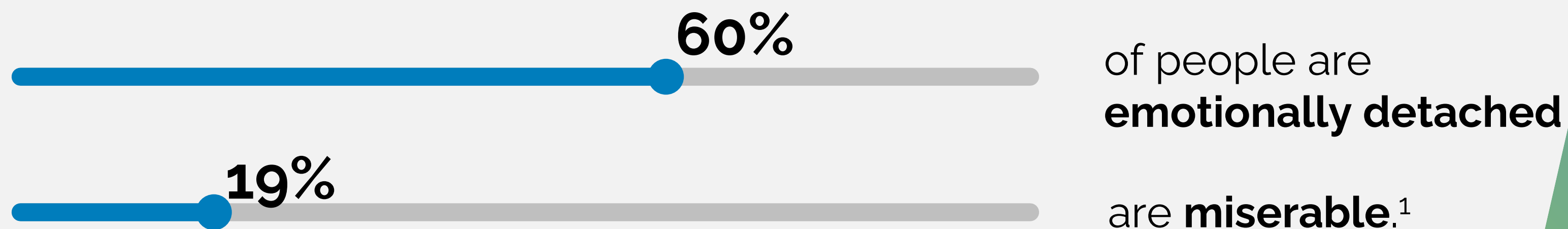


#02

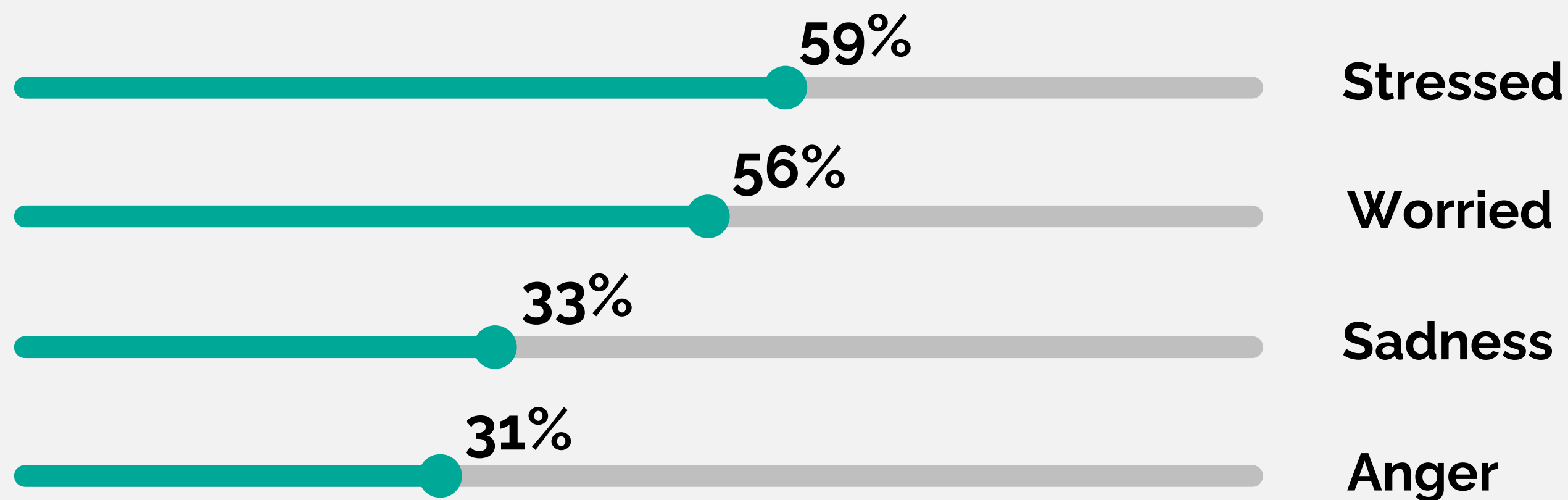
Workforce
Engagement
Quiet Quitting

Quiet Quitting - Employees no longer go above and beyond, but **do the minimum required** in their jobs.

The Data:



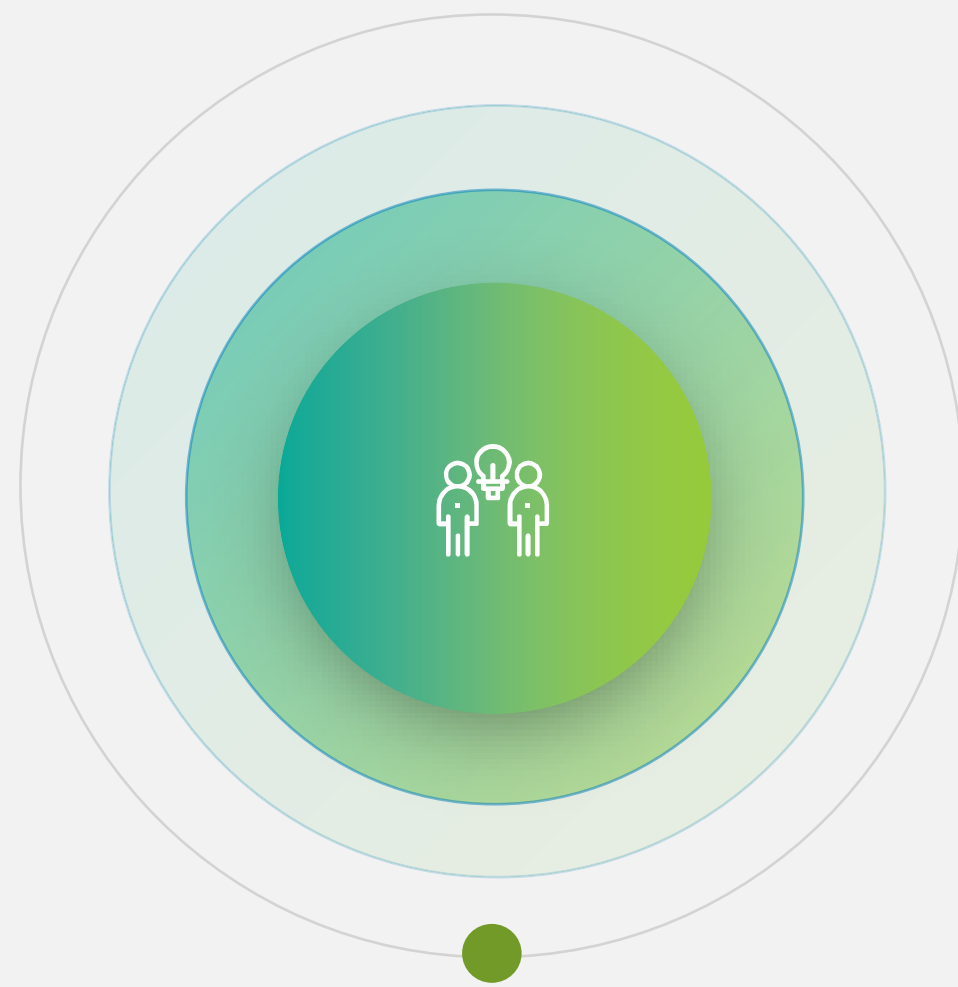
*Yesterday, they were:



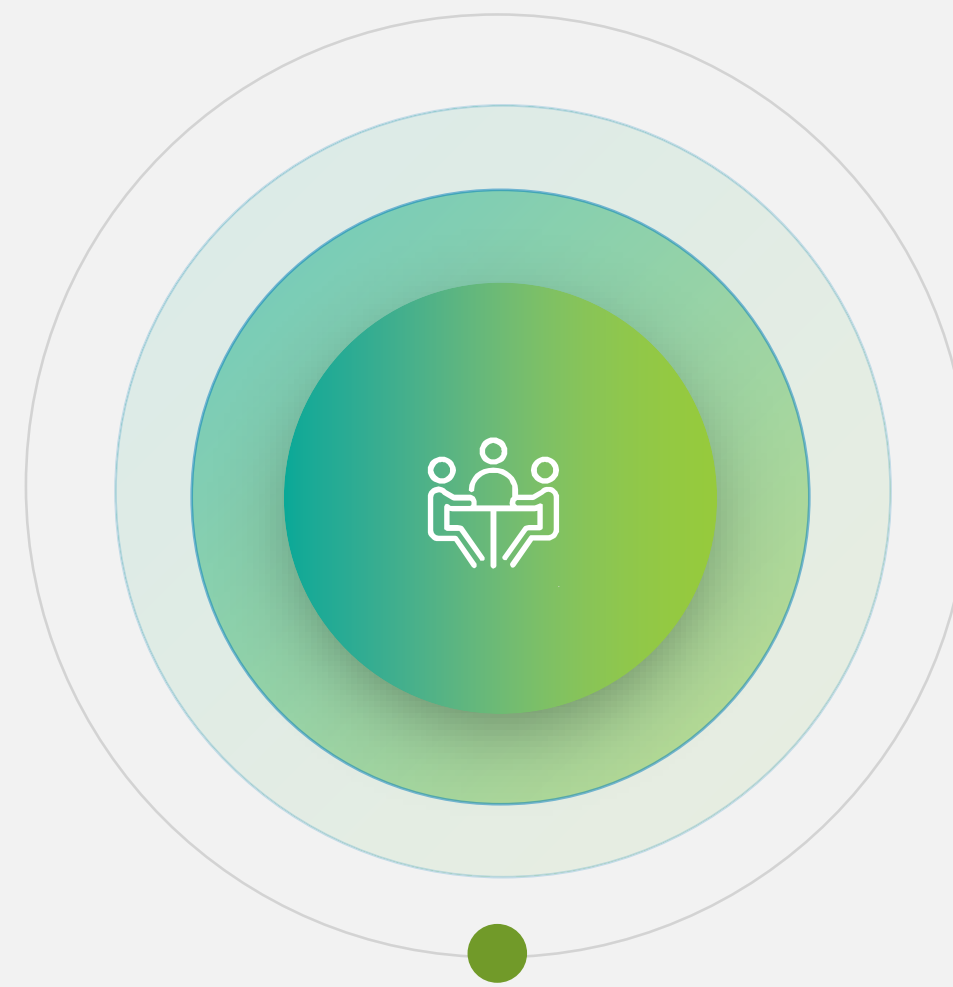
***64%**
higher than an
engaged person
would report.

PERFORMEX'S **INSIGHTS:**

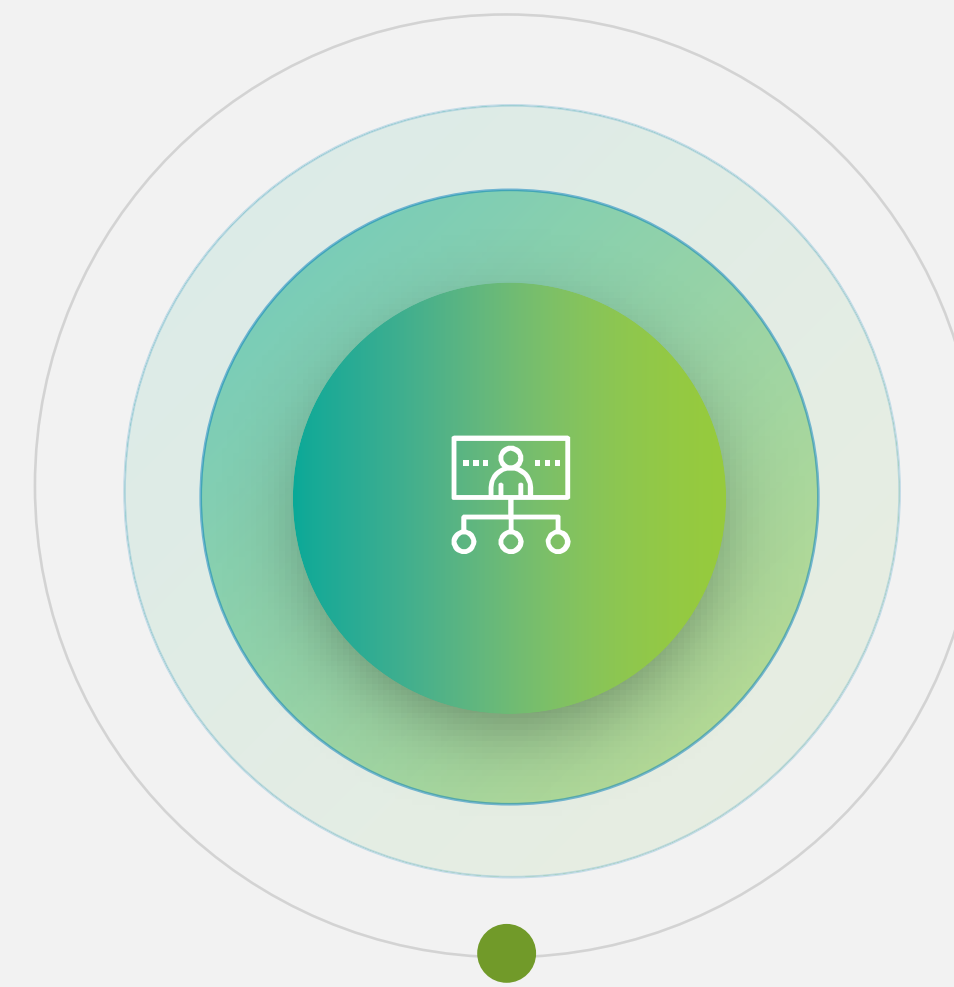
Managers are NOT SUFFICIENTLY SKILLED at:



Inspiring
and Influencing
Their Teams



Conducting
meaningful
one-on-one
meetings



Building
Relationships in a
Virtual Work
Environment



Being Visionary,
Inspiring, and
Motivating

Businesses Need a Development Strategy

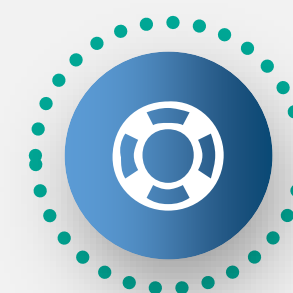
Issue #2

Workforce Engagement / Quiet Quitting



Companies Should:

- ★ Measure engagement
- ★ Improve Work Environments
- ★ Develop managerial skills:
 - ★ Inspiring and Influencing Their Teams
 - ★ Conducting meaningful one-on-one meetings
 - ★ Building Relationships in a Virtual Work Environment
 - ★ Being Visionary, Inspiring, and Motivating



**Organizations Need a Strategy
for EX**



#03

Measurable
progress with
DEI

Diversity, **E**quity, and **I**nclusion



Bolstering DEI efforts to obtain real, measurable results



But most companies are confronting resistance from some employees.

43% of employees say their organization's DEI efforts are divisive¹

89% of companies have a formal DEI strategy in place



Global DEI spending:
\$9.3 BN in 2022 to \$15.4 BN in 2026

42% resent their organization's DEI efforts¹

¹Gartner's "HR Toolkit: Tackling / 2023 Future of Work Trends" and State of the Global Workplace

PERFORMEX'S INSIGHTS:

DEI is not indoctrination - it's **simply doing the right thing**

If **presented the right way**, even detractors will buy in.



The truth is that **managers cannot do the right thing well unless** they:

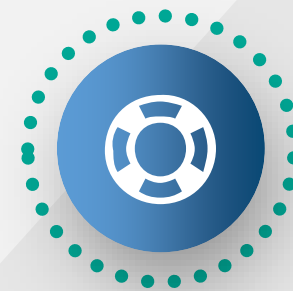
- » Have the proper **training** and **tools** to do it!
- » **Appeal** more to their manager's Professionalism and Values

Issue #3

Measurable Progress with DEI



Emphasize DEI is simply doing the right thing



Managers cannot do the right thing well **unless they have the proper training and tools!**

- ★ Connecting DEI Goals with Manager Values Improves Outcomes
- ★ Education and training
- ★ Managerial Effectiveness – DEI on a one-on-one personal level
- ★ Managers need to understand how to upskill their employees



#04

Cultural Drift
and Declining
Accountability



Culture is:



The **character**
and **personality**
of your
organization



What **makes your business unique is the sum** of its values, traditions, beliefs, interactions, behaviors, and attitudes.

How leadership takes care of its business, stakeholders, and employees.

Executives
believe remote
work **adversely**
impacts culture.

They believe the **higher the**
% of remote work, the
greater the damage



To keep a strong
culture, employees
should be in the office.

6%

About 1-3 days per month

5%

One day per week

15%

Two days per week

29%

Three days per week

18%

Four days per week

21%

Five days per week

5%

Employees don't need to be in the office to maintain company culture

Q: If covid-19 was not a concern, how often do you think a typical employee needs to be in the office, if at all, in order to maintain a distinctive culture for the company?

Totals do not add up to 100% due to rounding Source: Pwc Remote work Survey January 12, 2021/ Base: 133 US executives

Again, an employee's **direct boss** plays a
significant role:

60%

of hybrid employees: their **direct manager**
is the most influential person for
understanding the company's culture.



Accountability seems
to be **suffering the
most!**

Symptoms:

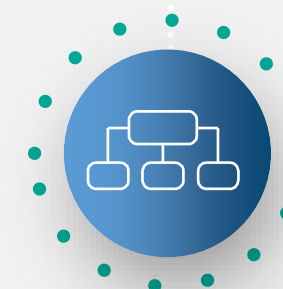
The right things are not happening!



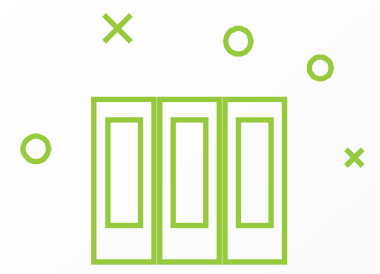
Not delivering the intended results on time and within budget.



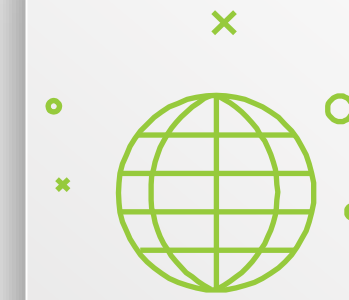
People are **not accountable** for their decisions, actions, and results.



Declines in productivity, effectiveness, and efficiency



We hear many firms' **culture is in trouble** from our Summit and Zenith Participants.



Having a hybrid workforce is a **competitive necessity** and its continuation of probably guaranteed

Performex's Insights:



Because they prefer working hybrid, they **seldom tie it to being remote**



Without some **intervention**, many business cultures will drift towards mediocrity

Issue #4

Cultural Drift & Declining Accountability



Impacted companies must take an active approach to shape their culture:

- ★ Develop Managers so They Model Your Desired Culture
- ★ Implement A Culture of Accountability
- ★ Address Outliers Quickly



#05

EX-Employee
Experience

EX- the end-to-end experience of employees throughout their tenure at a particular company

Employees use **social media** to **communicate their EX** to **your** customers, applicants, community, and other employees.



47%

of HR leaders see EX as a top priority

Major Factors **Affecting EX:**

- ✓ Physical workspace
- ✓ Culture
- ✓ Technology

LEADERSHIP and Employee Experience

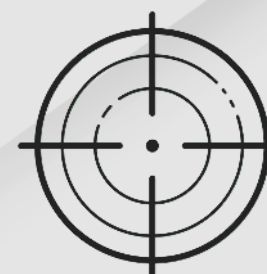
¹Survey **700 HR
and L&D
Professionals** on
expected
challenges.

A CLEAR CONNECTION

between leadership
capability and employee
experience.



Senior leaders “need to
**PLACE A HIGHER
PRIORITY** on leadership
development.”



¹Ken Blanchard, survey of more than 700 HR and L&D professionals - 2022



Great concept to improve a wide range of business results



Is **not a priority** for most managers at any level



Leadership skills
PREDICT EX

Employee Experience
Performex's
Insights

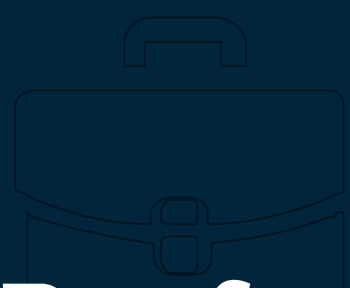
Issue #5

EX - Employee Experience



Companies need an **Employee Experience Strategy**

- ★ Establish SMART Goals for EX
- ★ Measure EX



Call Performex

at 855.PFX.LEAD
www.performex.com

Questions?
Contact us



Administration

CEO- Ric Bruce
rbruce@performex.com

COO – John Bruce
jbruce@performex.com

VP of Account Management – Kristi Tjo
ktjo@performex.com

Director of Client Services – Karen Brunner
kbrunner@performex.com



Thank you.