HRACUITY®

Four Critical Overlooked Moments

Workplaces are rife with change and employee concerns. How employers handle these pivotal employee moments can have major consequences for their success. HR Acuity surveyed over 2,200 employees to gain insights into what employees value most and assess how employers' actions influence trust and loyalty.

Here's what we learned about the state of the workplace since the start of 2023.

What *matters most* to today's employees?

Creating a workplace culture that employees favor hinges on transparency, strong leadership, flexibility, inclusivity and respect. Without these fundamentals, employees become disengaged and lose trust in their employer.
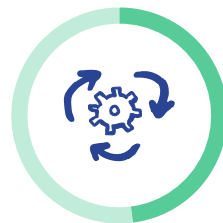
Top employee values

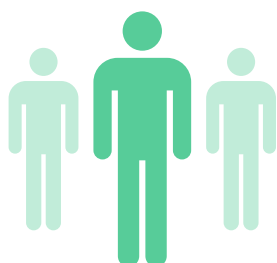|			
49%	**49%**	**48%**	**41%**
Transparency and communication with employees	Leadership integrity, accountability and values	Flexibility (paid time off, work environment, etc.)	Inclusive and respectful workplace culture

One-third of employees feel their employer is lacking in empathy, fairness and authenticity.

On average, **37%** of employees do not agree that their employer consistently delivers on its promises to employees, demonstrates empathy or treats employees fairly.

Stable, *flexible* work environments enhance trust.

Trust was lowest among employees whose work environments changed since the start of 2023 and highest in stable, hybrid work environments.

Trust in employers

77%
Hybrid

65%
In-office

64%
Transitioned to remote, hybrid or in-office
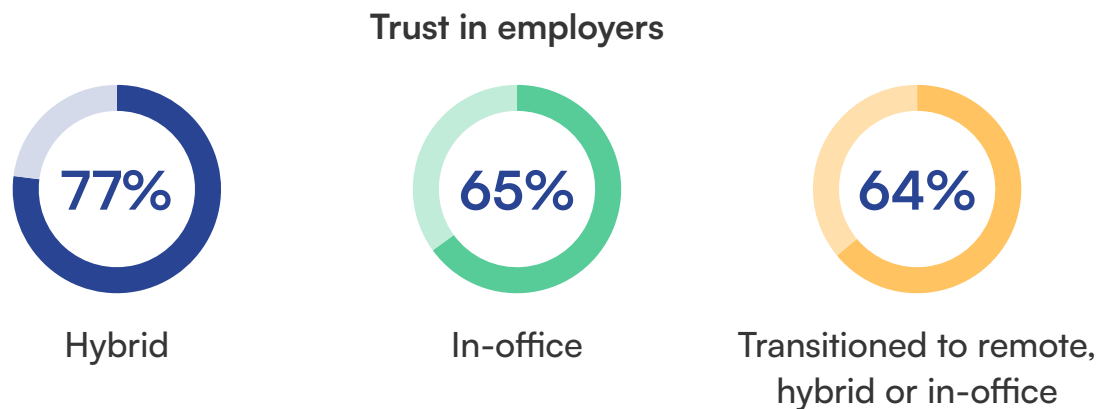
Finding middle ground matters. In-office mandates generally don't resonate with today's workforce. Fully remote employees often feel less connected to employers, negatively impacting loyalty and attrition. Managing fully remote teams also requires more intentional focus on communication and transparency on policies, expectations and outcomes.

Employee trust in managers *peaks* in hybrid workplaces.

Trust in managers

72%
Overall employees

79%
Employees in hybrid environments
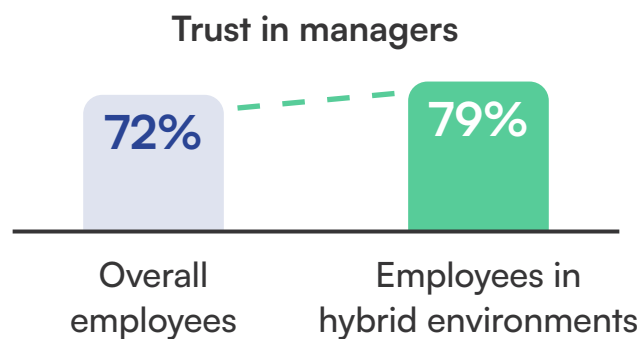
Empowering trusted managers with the right tools and resources to communicate with and reassure employees of their value can help employees remain productive amid workplace changes and concerns.

Four factors that put loyalty at risk.

Reorganizations and structural changes are inevitable, and misconduct occurs far too often. While handling these situations can be tricky, prioritizing clear and compassionate processes and communication can improve employee experience.

1 Workplaces in flux cause uncertainty. *Exceptional support* is vital.
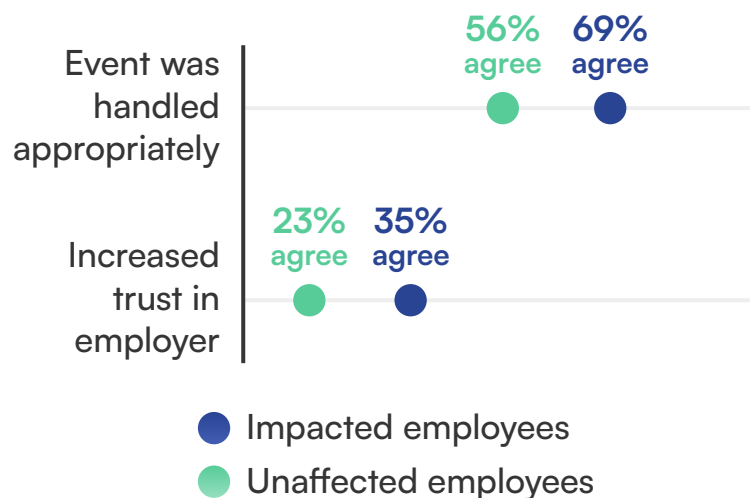
43% of respondents reported that their organizations experienced layoffs, RIFs or restructuring since the start of 2023.

Workplace changes also *impact* employees who are not directly affected.

Surprisingly, employees whose jobs were **not** directly affected by layoffs, reductions in force (RIFs) or restructurings held more negative views than employees who were laid off, reassigned or faced wage and hour cuts. This indicates that communication and support for employees who remain in their roles is lacking.

Impact of layoffs, reductions in force (RIFs) and restructuring

Event was handled appropriately
- 56% agree
- 69% agree

Increased trust in employer
- 23% agree
- 35% agree

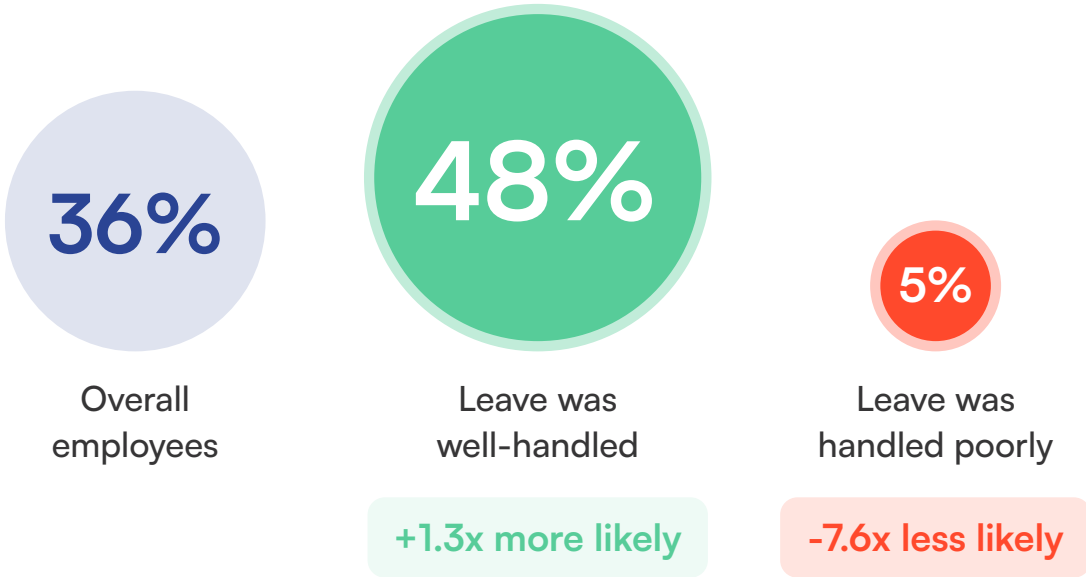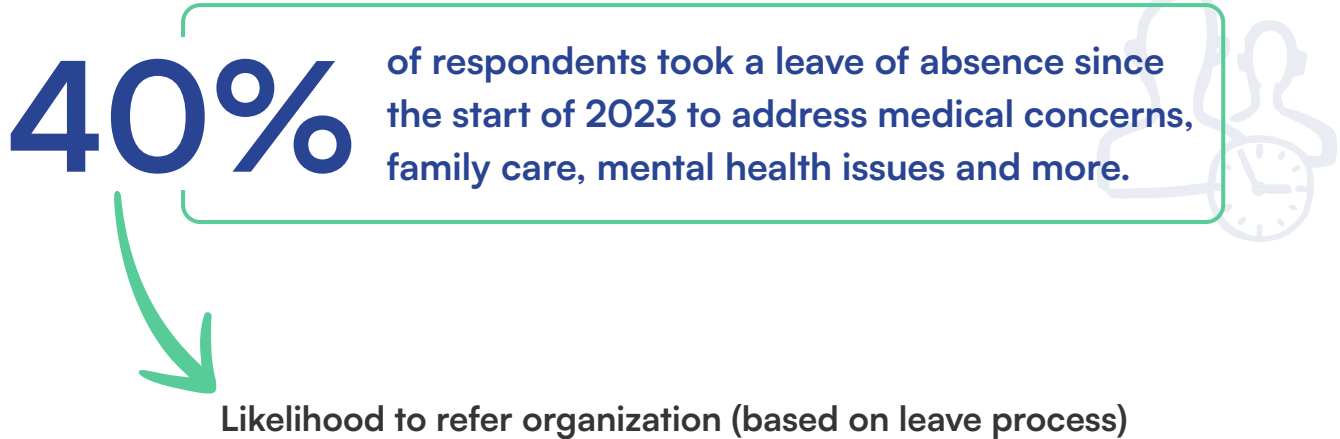● Impacted employees
● Unaffected employees

Intentional focus on transparency and thoughtful communication with all employees throughout the process is essential to navigate organizational changes, allay fears, boost morale and minimize attrition.

2 **Leaves of absence are skyrocketing and require *compassionate processes.***

Surging mental health challenges, return-to-office mandates, performance issues, medical concerns and family care issues have caused leave requests to soar, creating stress and strain for all employees.

40% of respondents took a leave of absence since the start of 2023 to address medical concerns, family care, mental health issues and more.

Likelihood to refer organization (based on leave process)

36%

Overall
employees

48%

Leave was
well-handled

+1.3x more likely

5%

Leave was
handled poorly

-7.6x less likely

When leaves were handled well, employees were more likely to refer the organization as a place to work. Unsurprisingly, poorly handled leaves cause referral rates to plummet, which can **impact brand reputation.**

3 **Workplace harassment and misconduct remains** *widespread.* **How employers address bad behavior has far-reaching consequences.**
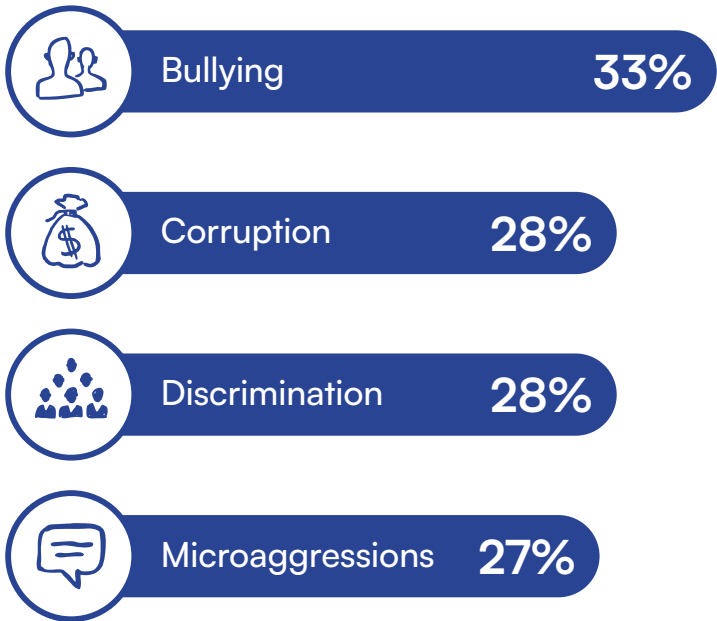
41%

of employees experienced or witnessed inappropriate, unethical or illegal behaviors since the start of 2023.

What kinds of bad behaviors were *most common?*

Bullying topped the list, followed by corruption, discrimination and microaggressions.

Types of behavior experienced

Bullying	33%
Corruption	28%
Discrimination	28%
Microaggressions	27%

Misconduct and harassment in remote work settings has increased *dramatically* since the start of 2023.

Employers must adapt their processes to proactively address online and video interactions, as these challenges will only escalate without attention.

Remote work harassment and misconduct rates

50%

+32%

18%

2023   2024
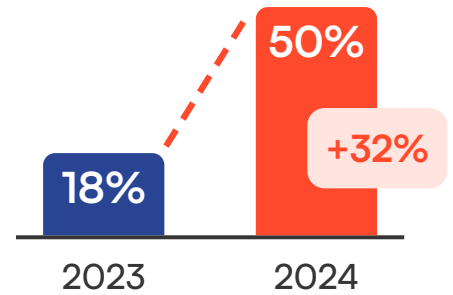
More employees are reporting issues, but weak processes *impact* employee experience.

Efforts to create speak-up cultures seem to be working, as employees want to report, including more minor concerns that need to be watched for broader implications in the organization.

Harassment and misconduct reporting rates

85%

75%

🟩 Witnessed   🟦 Experienced
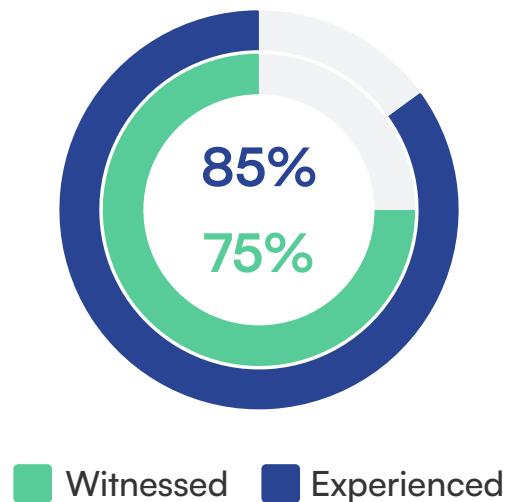
Concerns raised must be effectively addressed and **outcomes must be shared** whenever possible to continually earn employee trust in the reporting process.

Still, *one in four* employees did not report bad behavior. Why?

Top reasons for not reporting bad behavior

52%
didn't trust it would be handled appropriately.

44%
didn't think it would be taken seriously.

43%
feared retaliation or reputation damage.

Unreported issues *fester.*

Unreported issues usually remain unaddressed, often escalate, expose employers to brand risk and cause employees to leave. **Only 14%** of employees were able to successfully self-resolve misconduct incidents.

Issue self-resolution rates

ONLY
14%

of employee issues were self-resolved.

The best ways to provide process clarity to employees and strengthen their confidence that concerns will be taken seriously are to **offer multiple reporting channels and consistently publicize them. Sharing aggregated anonymous outcomes** of employee relations issues also enhances trust in the process.

4 Employee issues *often linger* following workplace investigations.

Most allegations were investigated, which is good news, as employers are obligated to respond and remediate substantiated claims or risk EEOC scrutiny.

75% of workplace allegations were investigated by the employer.
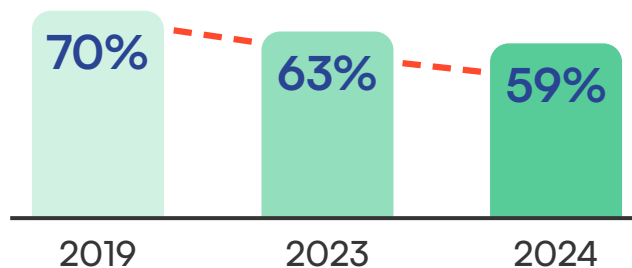
But issue resolution rates are *on the decline.*

26% of employees reported that the issue was **not** resolved as a result of the investigation.

Investigation issue resolution by year
(investigation completed, issue resolved)

| 2019	2023	2024
70%	63%	59%

Unresolved issues erode trust, decrease productivity and engagement and often prompt employees to leave. **Employers must reflect to understand why issues remain unresolved and adapt their processes.**

Lax investigation procedures cause employees to *stay silent.*

Lack of confidence in the investigation process can discourage employees from future reporting, causing issues to escalate and exposing employers to legal risk.
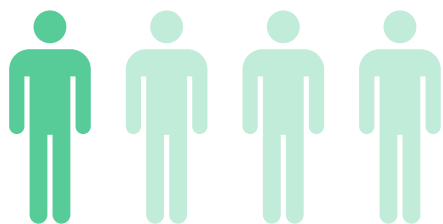
One in four

employees (**27%**) said the issue was not investigated or they were not aware of any investigation.

Required processes lead to better outcomes for all. As reported in the Eighth Annual Employee Relations Benchmark Study, use of required investigations processes is on the rise, now adopted by **58%** of organizations. Following a standardized, consistent approach with built-in protocols helps ensure investigations are thorough, consistent and fair.

Inconsistent aftercare can lead to ongoing issues, retaliation and attrition.

While most employees experienced some degree of follow up from their manager or HR, **only half (50%)** of employees were monitored for signs of retaliation.

ONLY
50%

of employees were monitored for retaliation.

Consistent aftercare is crucial to resolve issues effectively and ensure trust in employee relations processes. Employers need clear, consistent processes to ensure remediation, prevent retaliation and provide support for employees following issues and investigations. Confidence in the process is essential for future reporting.

When issues are reported, investigated and resolved, employees are *more likely* to report future issues.

Likelihood to report future issues

38%

Overall
employees

52%

+1.4x more likely

Issue reported,
investigated
and resolved
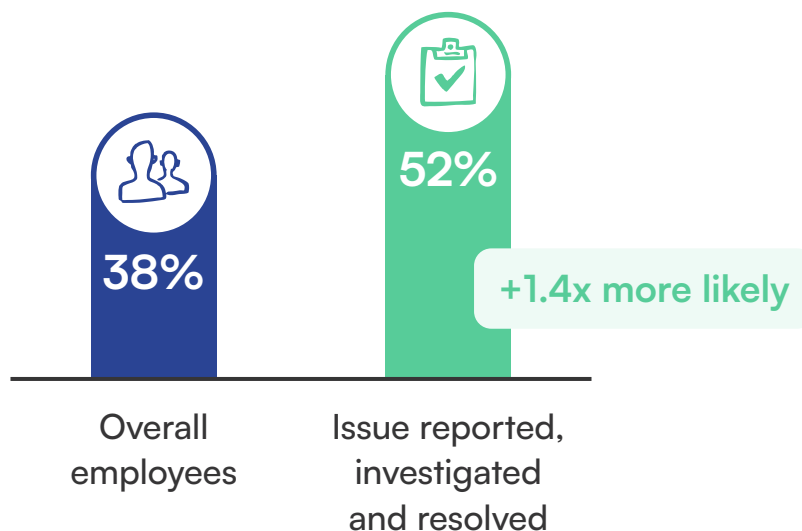
What's at stake for employers?

An employer's actions in critical employee moments can make or break trust, loyalty, referrals, brand reputation and an organization's success. An employer's response impacts the entire workforce, affecting morale, productivity, engagement and the ability to attract and retain talent.

Well-handled issues turn employees into *brand ambassadors.*

Overall, **36%** of employees said they would likely recommend their employer. Yet among employees exposed to harassment or misconduct, the referral rate jumped to **51%** when the reported issue was investigated and resolved.

Likelihood to refer organization

Overall employees

36%

51%

Reported issue was investigated and resolved

+1.4x more likely

Survey Methodology and Respondents

Respondents

2,206
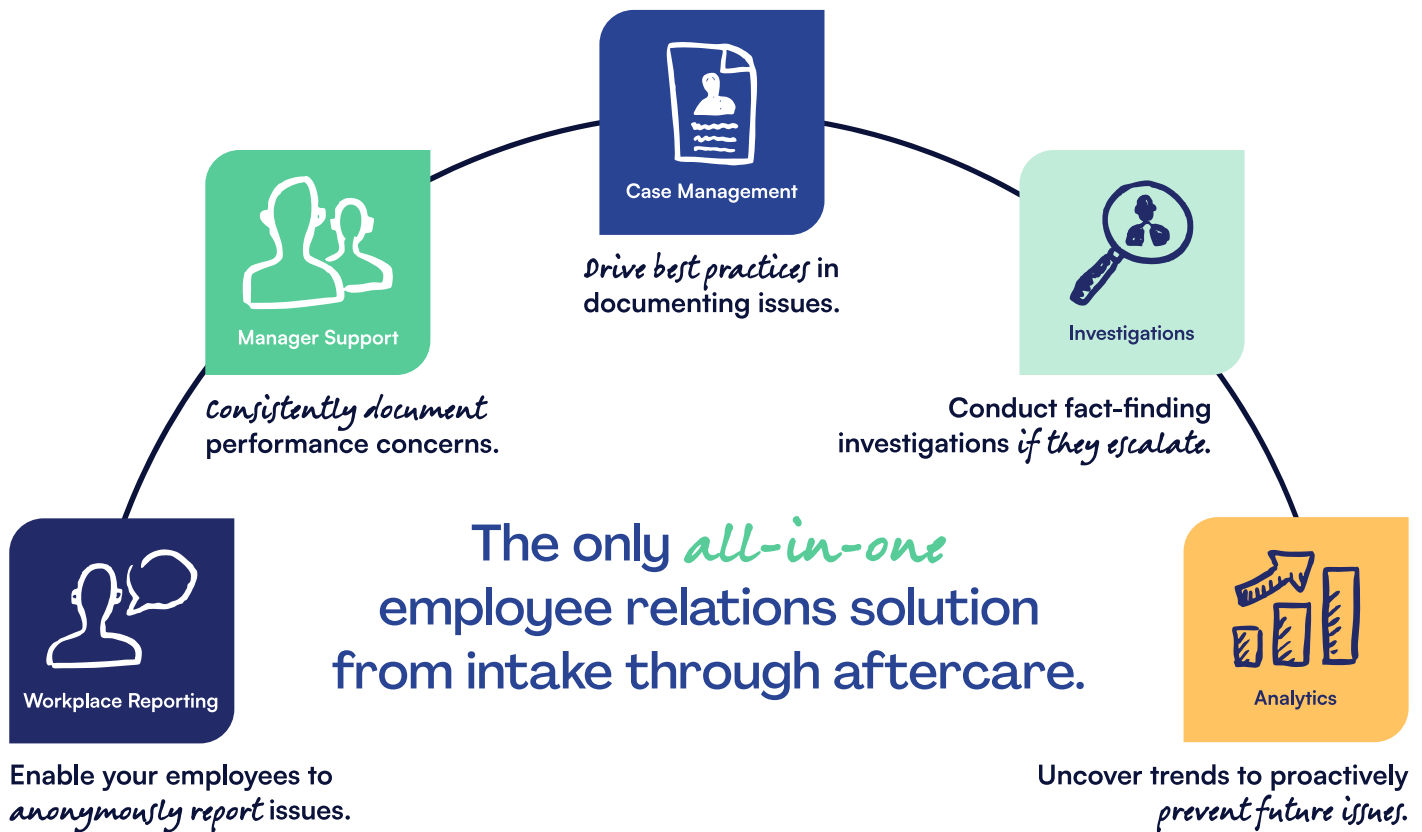U.S. employees

Data Collection

April
2024

Confidence Level

+/- 2.1
percentage points

HR Acuity published similar employee studies in 2019 and 2023. HR Acuity also publishes an annual Employee Relations Benchmark Study providing insights into employee relations trends and practices.

HR Acuity is the only technology platform specifically built for employee relations and investigations management, helping organizations protect their reputations and build better workplaces.

We empower customers with built-in intelligence, templates and reporting so they can equitably and appropriately manage employee relations issues; uncover trends and patterns through forward-looking data and analytics; and provide trusted, consistent experiences for their people.

Case Management

Drive best practices in documenting issues.

Manager Support

Consistently document performance concerns.

Investigations

Conduct fact-finding investigations *if they escalate.*

The only *all-in-one* employee relations solution from intake through aftercare.

Workplace Reporting

Enable your employees to *anonymously report* issues.

Analytics

Uncover trends to proactively *prevent future issues.*

Welcome to the *next generation* of employee relations.

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