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2021

People Management Report

Amid “The Great Resignation,” nearly 2,000 employees across 15+ industries share what’s causing them to quit. Hint: Manager burnout is at play.

As their peers quit, employees share what managers can do to get them to **stay**.

As public health mandates lift and vaccines roll out, many businesses are hiring again and families are reconnecting. Yet there's another story dominating headlines—one of workers leaving their jobs en masse.

In June 2021, The Predictive Index surveyed 1,906 employees from more than 15 different industries. The goal was to understand what exactly is contributing to this “Great Resignation,” and see whether managers impact employees’ decision to stay or leave. We were also curious to see which return-to-office strategies are faring better for retention and engagement.

Report findings fall under six general categories:

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2. The chilling effects of burnout P. 09

3. Embracing a hybrid world P. 15

4. Good vs. bad managers P. 21

5. Building teams that go the distance P. 25

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Don't have time to read the full report? Head to page [32](#) for a recap of all the biggest findings.

Unpacking “The Great Resignation”

“The Great Resignation,” as it’s been deemed, appears to have originated from the service sector—and understandably so. COVID-19 radically altered the nature of face-to-face interactions, and even now, health and safety concerns persist. Understandably, many workers are afraid to return to an unsafe workplace.

But as other industries return to on-site operations, they’re encountering similar retention issues. As our research uncovered, this attrition often has less to do with physical safety, and more to do with psychological safety.

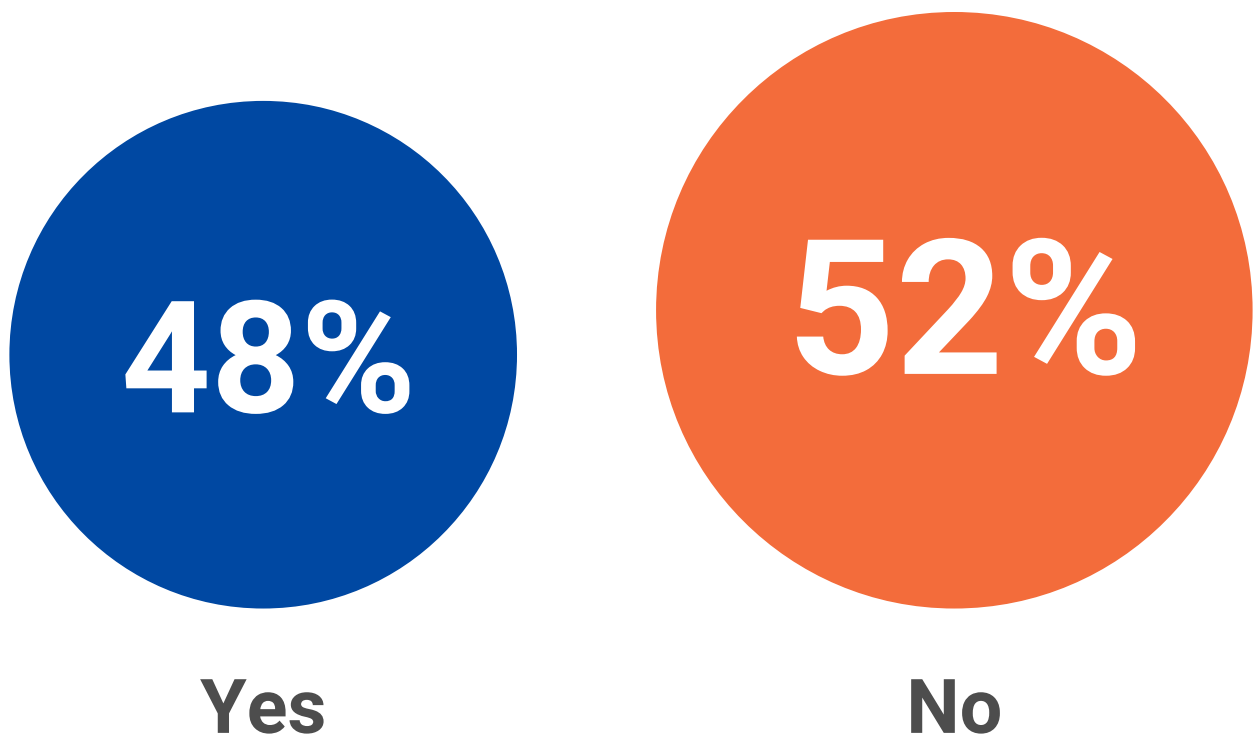


48% of employees have thought about changing careers within the past 12 months.

For employees, this Great Resignation isn't simply a matter of quitting; it's an opportunity to strike off on something new. The study began by asking respondents whether they've contemplated a career change in the past year. Nearly one in two respondents said yes.

Of those who have considered a career change in the past, 57% are thinking of leaving their company within the *next* 12 months. Thankfully, contemplation doesn't have to mean action. For leaders looking to mount their own "Great Retention," it's crucial to stop the attrition boulder before it gets rolling.

Within the past 12 months, have you thought about changing careers?



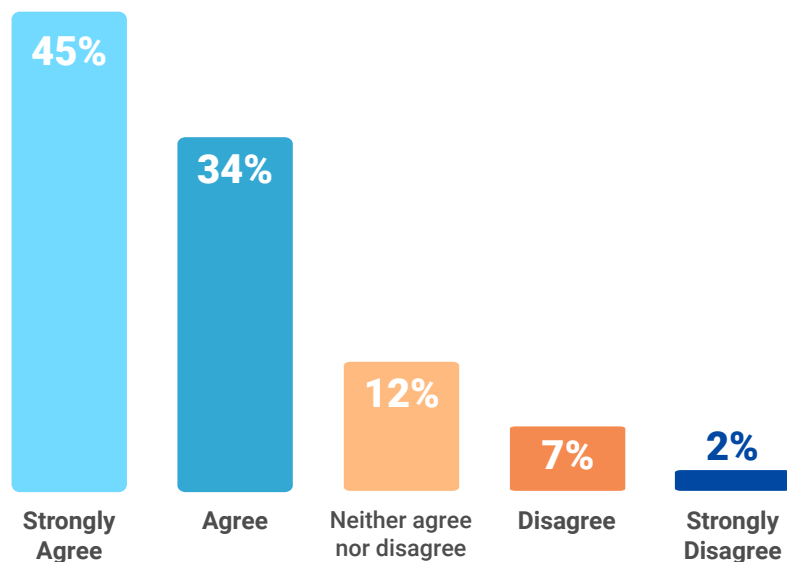


79% of people “feel comfortable” working in-person post-COVID.

The big question, of course, is “why?” *Why are employees so eager to pack up and leave?* One possibility is that workers—such as those at restaurants or in retail —feel unsafe physically in their current jobs due to ongoing health concerns.

When asked whether they feel comfortable working on-site or in an office from a health and safety perspective, nearly 80% of employees said yes. What’s more, this average was relatively consistent across industries—for retail, sentiment was even higher than 80%. So what *else* is it about?

“I feel comfortable working on-site or in an office from a health and safety perspective.”



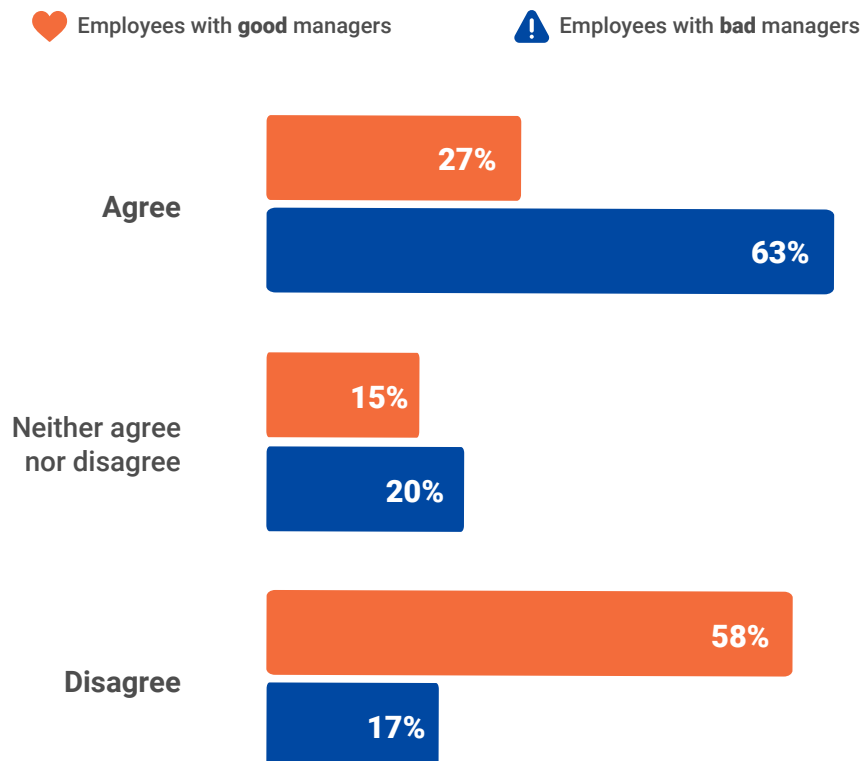
63% of those with a bad manager are thinking of leaving their company within the next 12 months.

Resignations may not correlate with industry, but that doesn't mean there aren't trends to glean. The next portion of the study presented respondents with the following question: "Rate your manager on a scale of 1-5, with 1 being a terrible manager and 5 being a world-class manager."

An encouraging 65% of respondents considered their managers either "good" or "world-class," while only 13% considered them "terrible" or "not-so-great." The remaining 22% said "average."

But the most telling finding lies between the numbers. Of those who said they have a bad manager (terrible or not-so-great), 63% are considering quitting in the next year. Only 27% of those with a good manager (good or world-class) said the same.

"I'm thinking of leaving my company within the next 12 months."





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“Being part of a fast-growing company, I cannot afford to lose our people and the institutional knowledge they hold, so I need to stay close to their needs and identify challenges before they become unsolvable problems. Customizing my management style to each one of my team members helps to get them engaged with their job and the mission we are pursuing. Showing interest in their success and challenges by exploring these topics during a stay interview increases their knowledge of being appreciated and allows me and other leaders to solve any issues before an exit is needed.”

Maribel Olvera | SVP at The Predictive Index

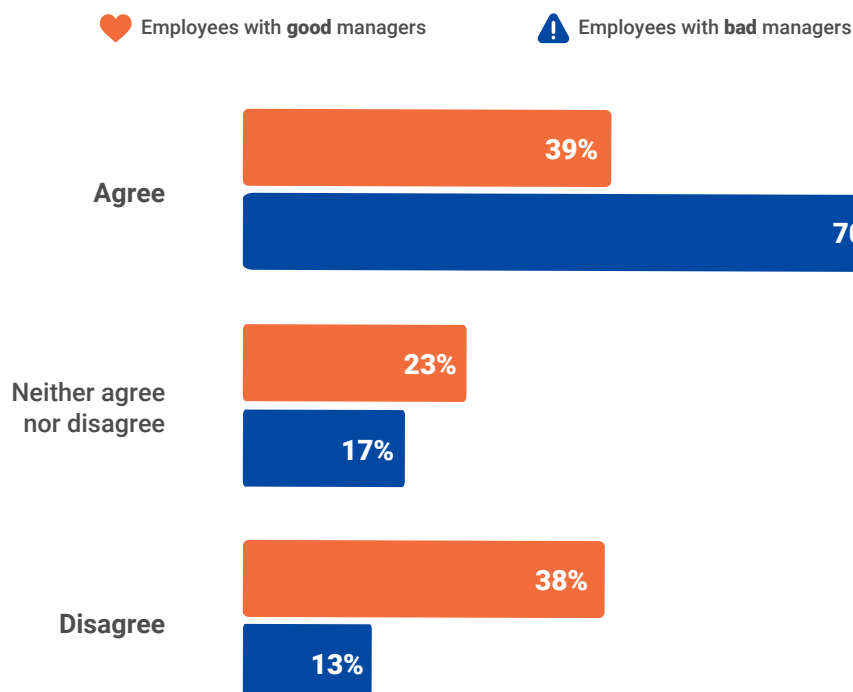
70% of employees with bad managers say team members are thinking about leaving.

Even higher is the percentage of team members considering quitting. Of respondents with a bad manager, a staggering 70% said “some” of their team members are thinking of leaving the team or company. What’s causing managers to drive away their people? It could be because they’re exhausted.

We asked respondents if they believe their manager seems burned out—and 36% agreed. Also consider the [2021 State of Talent Optimization Report](#), in which 32% of respondents said managers are experiencing the highest level of burnout, and it’s clear there’s a perception that managers are struggling to stay afloat.

Left unaddressed, this burnout won’t just impede manager effectiveness—it’ll cause employees to quit. Of respondents who said their manager is burned out, **58% are considering quitting**. Of those whose managers *aren’t* burned out, just 16% are flight risks.

“Some of my team members are thinking about leaving the team or company.”



The chilling effects of burnout

As a manager, it can be tempting to just “push through” burnout. But doing so can cause irreparable damage to your people and team. In the following pages, we’ll explore which groups are most susceptible to burnout, and why the effects can be contagious.





Burnout is impacting managers and their teams alike.

While 36% of respondents said they feel their manager is burned out, that percentage only increased when it came to personal fatigue and co-worker fatigue. According to respondents, 40% said they feel burned out, and 45% said *their team members* seem burned out.

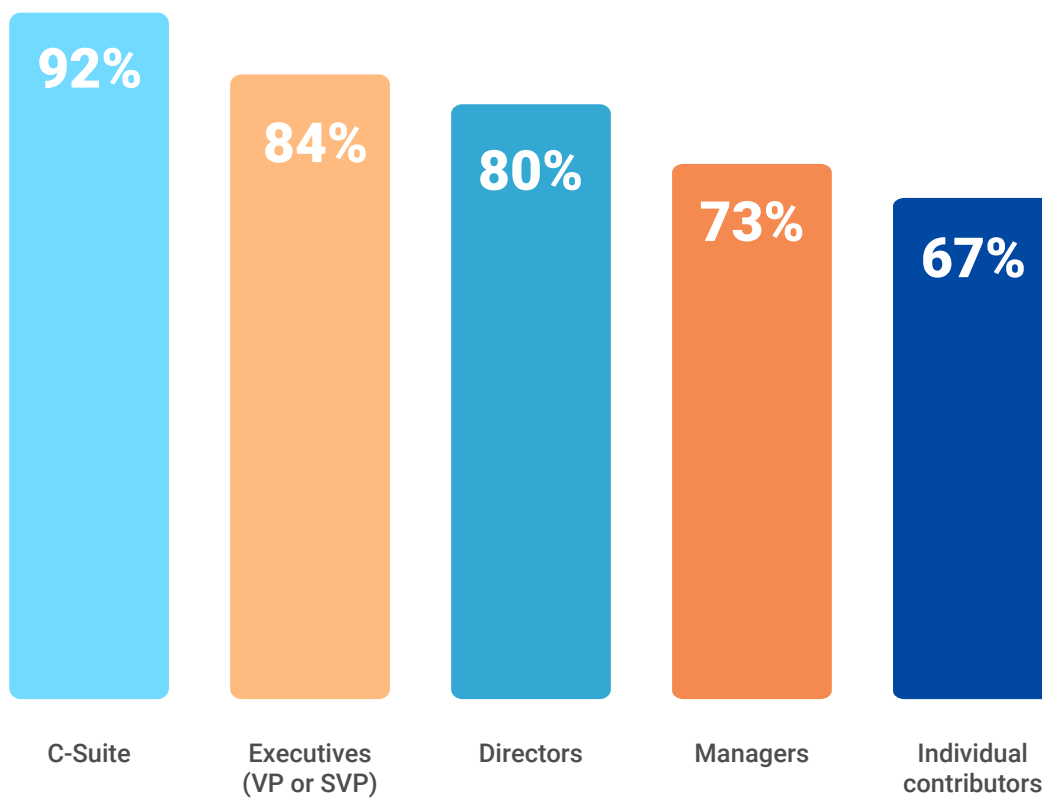


Percentage of employees who agree with the statement

Individual contributors are the **least** engaged.

We also asked respondents about their current level of engagement. Consistent with the [2021 State of Talent Optimization Report](#), individual contributors are the least engaged (only 67% said they're engaged), followed by managers (73%).

"I feel engaged in my current role."





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“Many Individual contributors get energy from being around colleagues even if they don’t depend on them to complete their job. Remote work has eliminated the opportunity to engage with colleagues daily, thus creating a ‘Meaningful Interaction Bubble.’ Leaders must be proactive to ensure individual contributors get enough interaction to maintain energy and purpose in their work.”

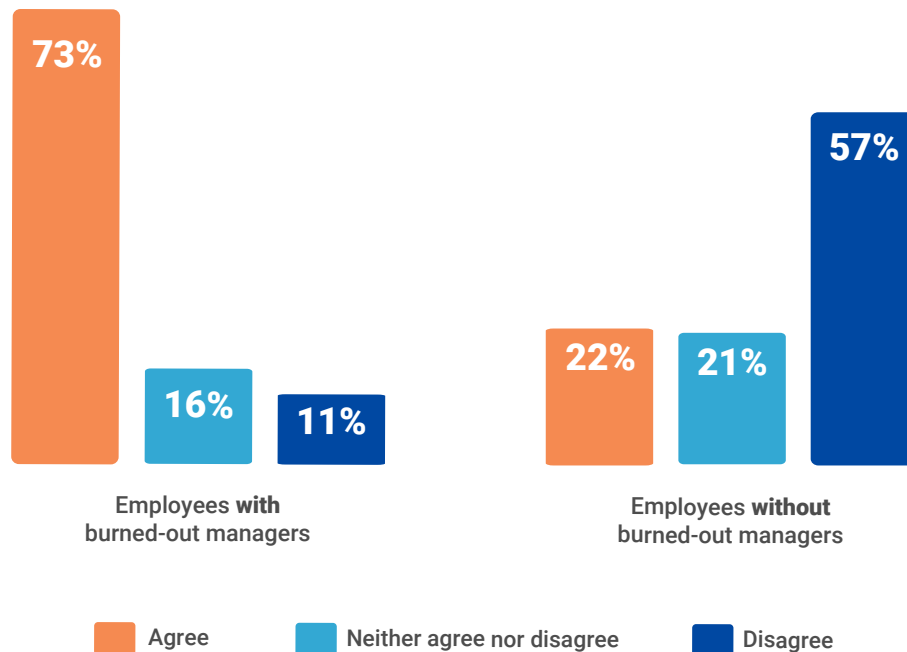
John Eades | CEO at LearnLoft



Teams are *far* more likely to feel burned out when their managers do.

We also asked respondents whether they agreed with the statement: “Many of my team members seem burned out at work.” Of respondents with burned-out managers, 73% agreed, versus just 22% of those with managers who aren’t burned out.

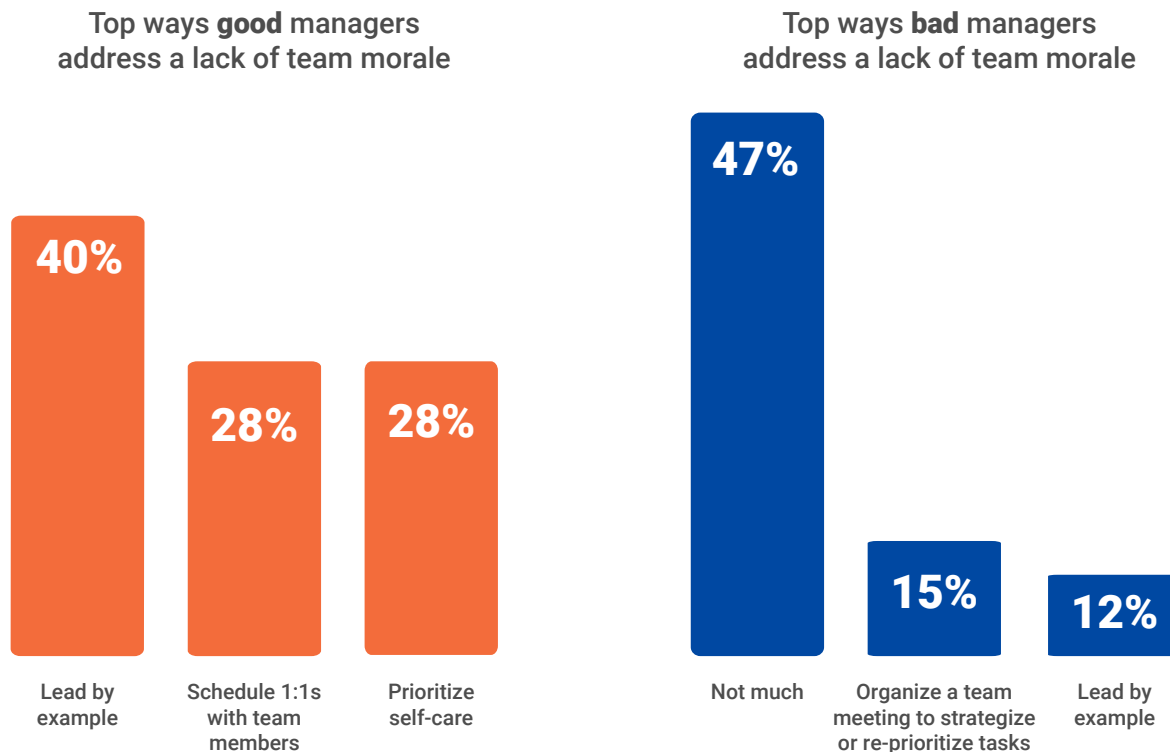
“Many of my team members seem burned out at work.”



Good managers address disengagement by leading by **example**.

Respondents were also asked what their managers do to address a lack of team morale. Among those with good managers, the most popular answer was “Lead by example” (40%). As for those with bad managers, only 12% said the same, while 47% simply said, “Not much.”

When monitoring for burnout, it isn’t enough to prioritize your employees’ health. As a people manager, *you* set the example. Gestures as simple as taking time off or logging off at 5:00 can create a ripple effect throughout your team—and create a culture of sustainability.



Embracing a hybrid world

When COVID first hit, many organizations questioned whether they could adapt to a stay-at-home work model. Yet, more than a year later, remote work has become second nature to countless workplaces.

Now, as leadership teams give the all-clear to return to the office, they're finding the old way of work *won't* work for many. The concept of "[hybrid work](#)"—splitting time between home and office—has dominated headlines, begging the question: *Can employees really have the best of both worlds?* The answer, ultimately, comes down to your industry, your organization, and your people.



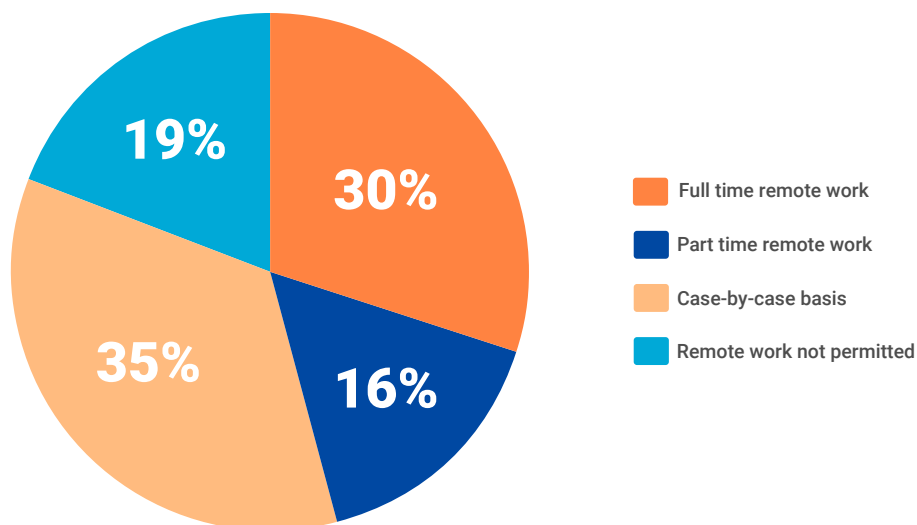


46% of companies are adopting fully remote or hybrid work models moving forward.

While the sheer energy around hybrid work would suggest most companies are looking to try it, our research found that isn't quite the case. We asked respondents to describe their company's remote work policy moving forward. Just **under half** said they'd be working remotely either fully or part time.

It may not be the majority, but it's a sizable plurality—one the rest of the working world can't afford to ignore. Consider that an additional 35% of companies will continue to accept remote work on a case-by-case basis, and it's clear the days of mandatory office hours are largely behind us.

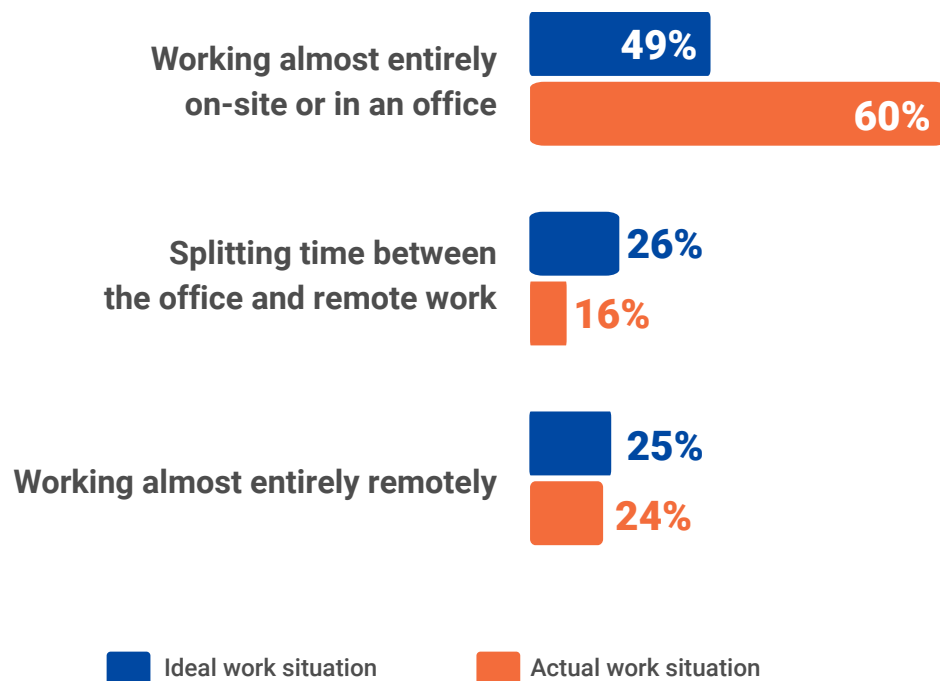
Moving forward, what best describes your company's remote work policy?



There's a disconnect between how people currently work and how they want to work.

We wanted to better understand not just how companies are approaching post-COVID work, but how employees are feeling about their current situation. The study asked respondents a pair of questions: *What best describes your ideal work situation?* and *What best describes your actual work situation?*

Though 60% of respondents work almost entirely on-site or in an office, only 49% actually want to. By contrast, only 16% currently split time between the office and remote work (i.e., hybrid), compared to 26% who prefer this scenario.



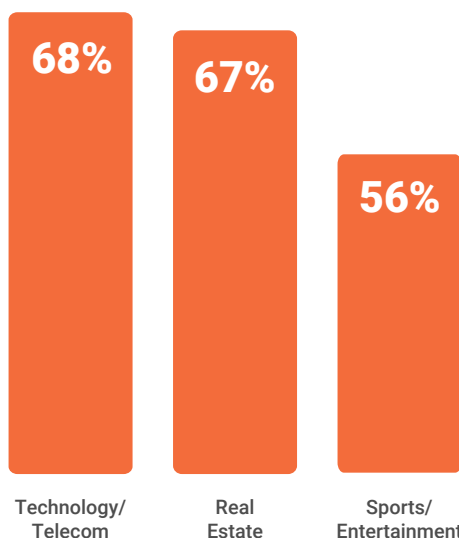
The tech industry is most likely to adopt a permanent remote/hybrid model; the education industry is the least.

While all industries plan to leverage remote and hybrid models at least on a case-by-case basis, our research found that some are more readily inclined than others. *Technology/Telecom* was most likely to adopt a full- or part-time remote model moving forward (68%), while *Education* was the least likely to (28%).

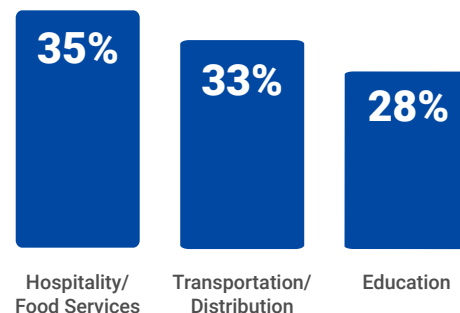
Given the digital nature of tech, it's perhaps no surprise these companies feel most comfortable with remote and hybrid work. A similar rationale applies to the education sector, as teachers long for in-person learning and [the CDC has reported](#) potential long-term effects of digital learning on student health.

Real Estate was second most likely to adopt a permanent remote/hybrid model (67%), followed by *Sports/Entertainment* (56%).

Industries **most likely** to adopt a permanent remote or hybrid working model



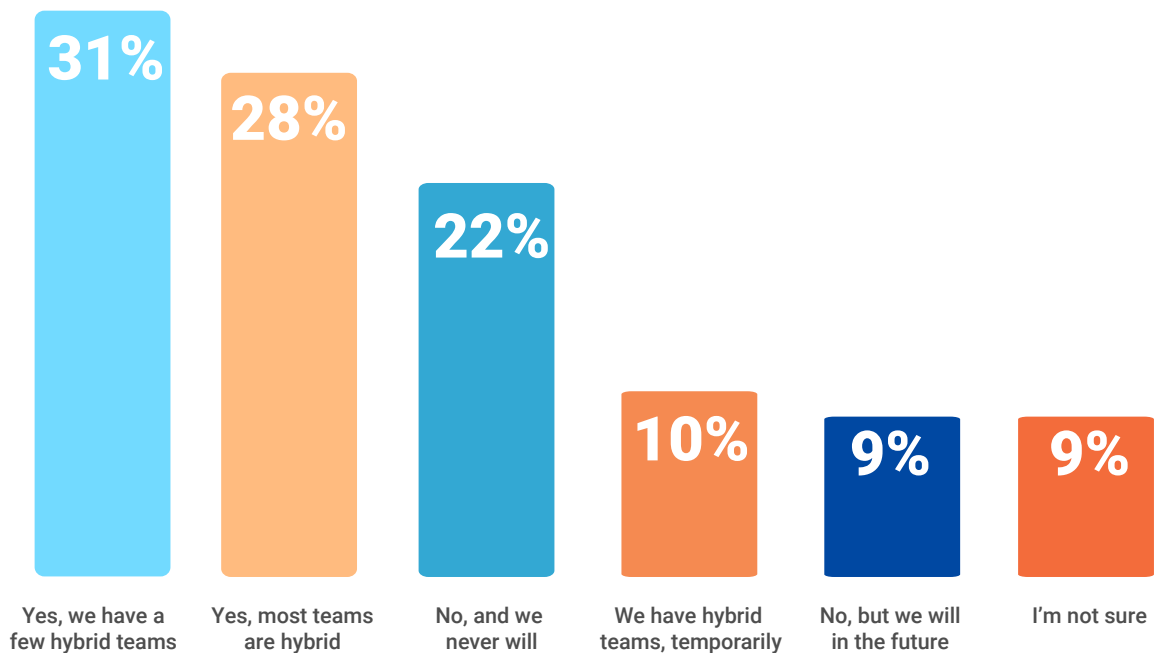
Industries **least likely** to adopt a permanent remote or hybrid working model



68% of companies have or plan to have some hybrid teams moving forward.

Next, we dug deeper into the world of hybrid work, asking respondents to share the proportion of hybrid teams in their organization today. Fifty-nine percent of respondents said their company has at least a few permanent hybrid teams. An additional 9% said they will have hybrid teams in the future.

Does your company have hybrid teams (a combination of in-office and remote employees)?
Choose all that apply





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“Businesses fundamentally changed when COVID hit. They had to pivot quickly to not only send their employees home, but move all processes and strategies (hiring, onboarding, internal communications, marketing, selling, etc.) to an online model. With the world opening back up, there’s no reason to assume that we would (as businesses, or people) return to a world before COVID. Many businesses learned how to streamline, how to become more efficient, and how to better trust and enable their employees during COVID. It makes sense that hybrid teams will become the new norm, for businesses who can make it work.”

Ashley Levesque | VP at Banzai

Good vs. bad managers

As organizations contend with dissatisfied employees and potential flight risks, it'll take leadership at all levels to rebuild cohesion and curb attrition. But the landscape has changed; employees won't settle for pre-COVID practices, especially when it comes to workplace flexibility and autonomy.

In the next pages, you learn what makes a world-class manager in 2021—and where the rest of the field is lacking.



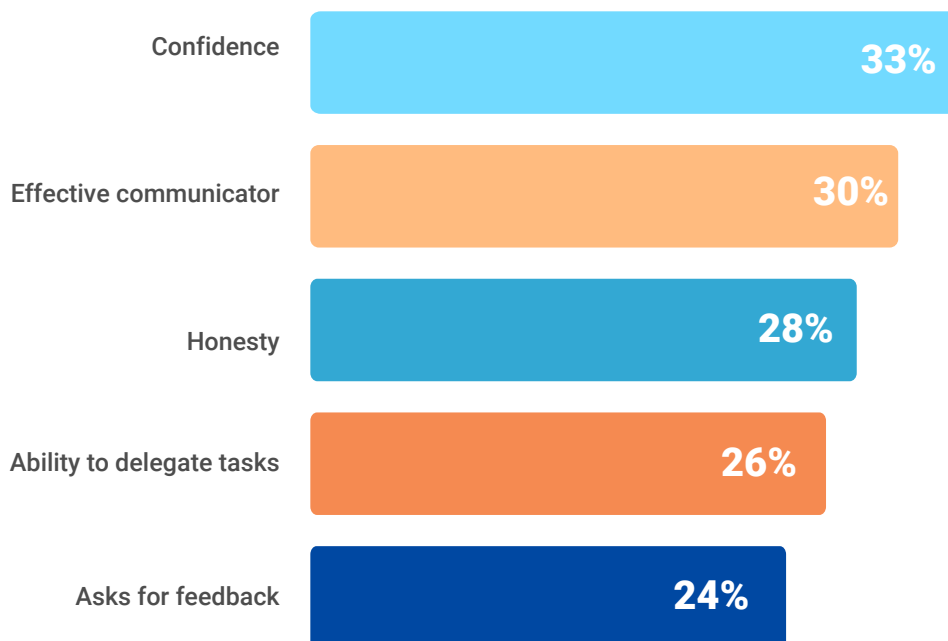
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The No. 1 skill employees value from their managers is *confidence*.

We presented respondents with a list of common managerial skills, and asked them to select the top three they value most from their current managers. Despite a wide range of potential picks, employees stuck with the fundamentals: confidence (33%), communication (30%), and honesty (28%).

After a tumultuous 12+ months, employees want *certainty*. They want clarity about how they're allowed to work, what's expected of them, and what the future brings. And that takes a manager who's confident in their strategy—and can communicate it effectively.

Top 5 skills employees value from their managers



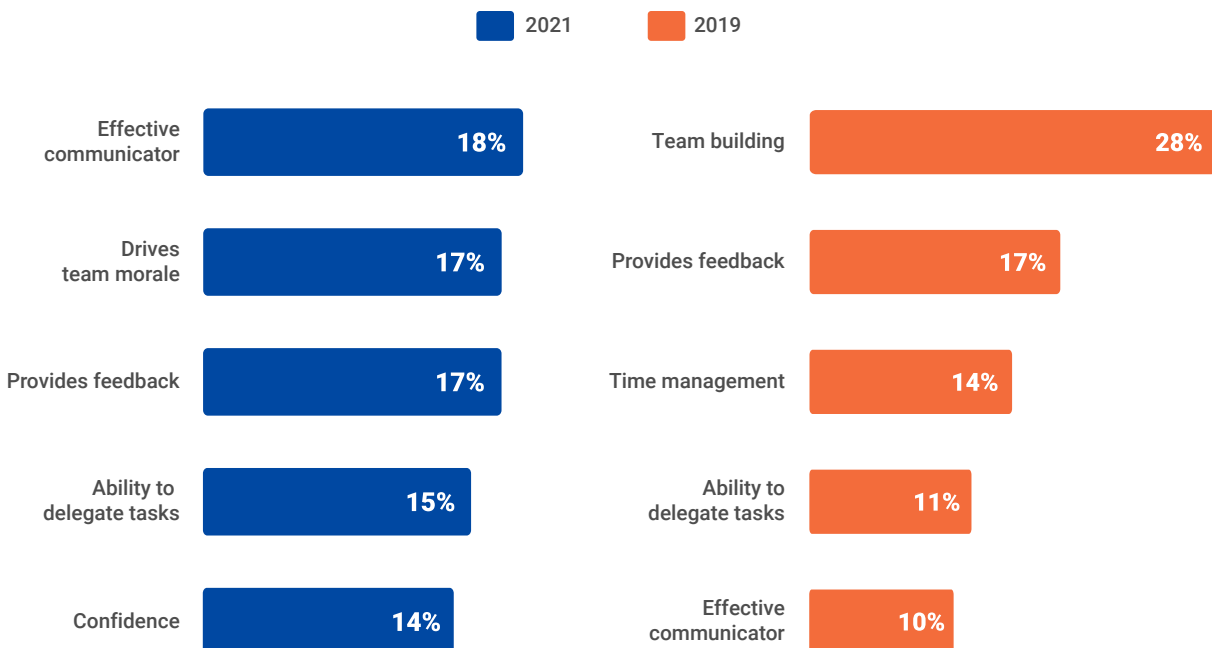
The No. 1 skill employees feel their managers lack is *communication*.

While communication was the second-most coveted skill among respondents, it was also the skill they felt managers lack most. When asked to select their top three, respondents chose *Effective communicator* (18%), *Drives team morale* (17%), and *Asks for feedback* (17%).

When we compare this year's results with the results from our last [People Management Report](#) we see that communication has shot up four spots on the list, from number five to number one.

Have managers gotten worse at communicating over the past two years? It's possible. More likely, though, forced remote and hybrid work has opened employees' eyes to the need for clear communication and information sharing. Remote employees often feel "out of the loop," and the problem only gets worse when some team members are working from the office.

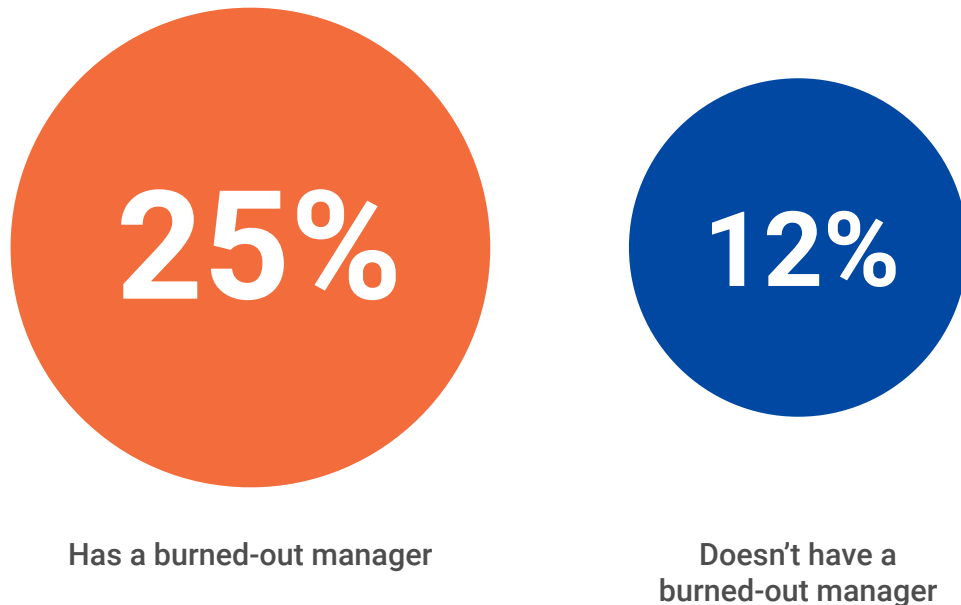
Top 5 skills managers lack



The lack of communication is even more pronounced among respondents with **burned-out** managers.

Next, we examined these most-lacking skills across two groups: those with a burned-out manager, and those without. Of those whose managers aren't burned out, only 12% cited *effective communicator* as a skill their manager lacks. That percentage jumped to 25% among those with a burned-out manager.

Employees who believe their manager lacks effective communication



Building teams that go the distance

Between looming resignations, feelings of burnout, and the challenges of hybrid work, managers may wonder how to build the confidence their teams feed off of.

As the closing segment of this study reveals, confidence may be more attainable than you think—provided you have the right tools.

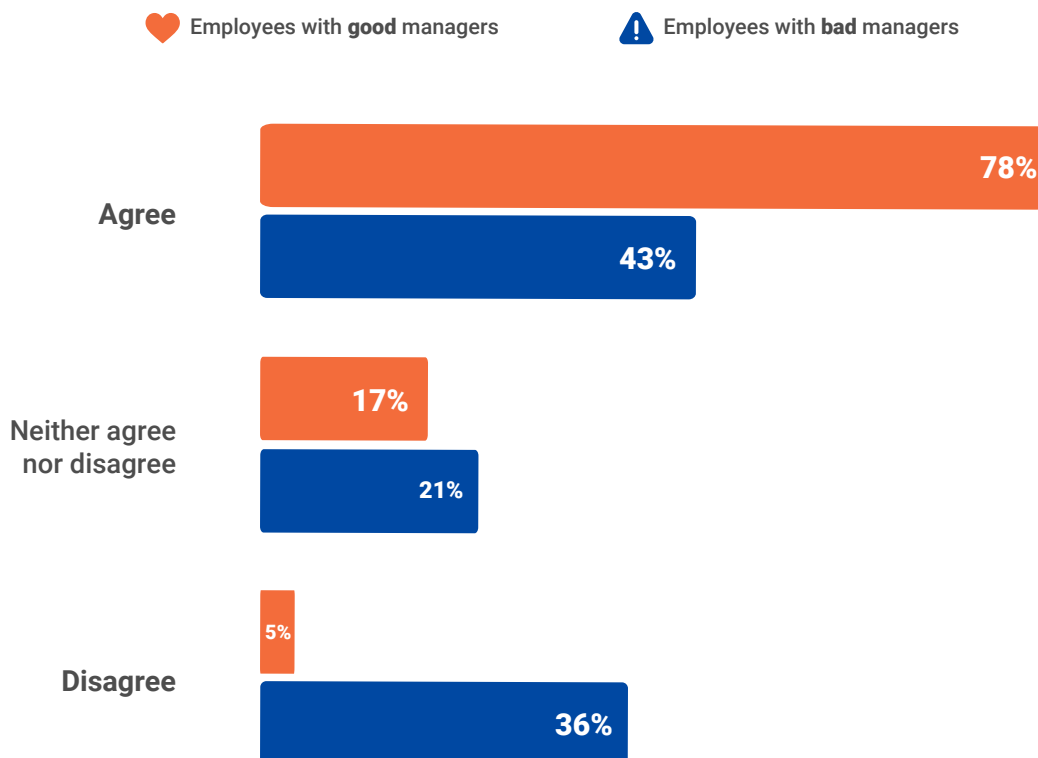


Employees with good managers are more likely to say their company is **helping** them adjust to change.

For many employees, particularly those who adopted a new work model suddenly or unwillingly, workplace change can be daunting. Yet in our study, 69% of respondents said they believe their company is making an effort to help them adjust to this new normal.

Managers play a key role in change management. Among respondents who said they have a good manager, **78%** also believed their company is helping them adjust to change. That percentage plummeted to **43%** among those with bad managers. The sentiment is clear: As a manager, how well you help your people adjust to their new work style is a crucial differentiator.

“My company is making an effort to help employees to adjust to workplace changes.”

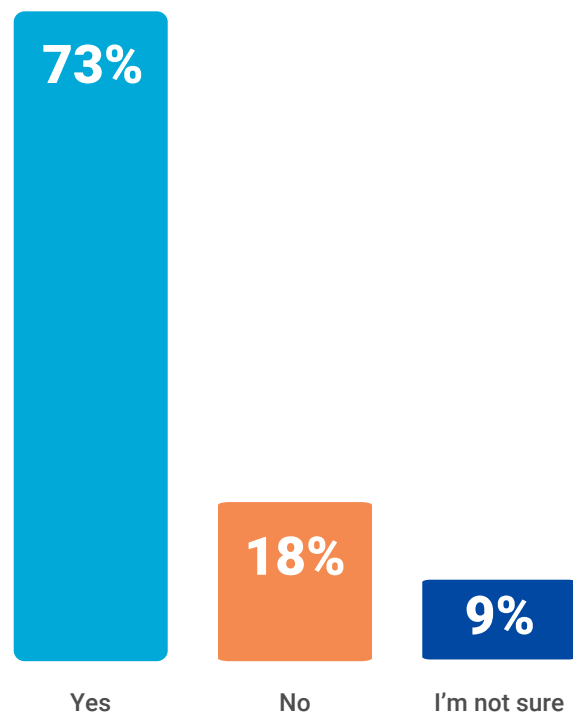


73% of companies are currently hiring.

Most employers aren't just looking to retain their teams; they're looking to expand them. We asked respondents about the growth stage of their organizations. Seventy-three percent indicated their companies are currently hiring.

Based on the [2021 State of Talent Optimization Report](#), 73% of companies also plan to hire **more than 100 people** this year. And so, the stakes continue to rise. If confident leadership and cohesive teams weren't critical to the mission before, they are now.

Is your company currently hiring and/or growing?





“Many companies are seeing accelerated growth or are ready to implement changes that were put on hold during the shutdown. As a result, we see an extraordinary number of open positions every day posted by companies I follow. In this environment, attracting the right candidates, hiring the right person for the job, and ensuring successful onboarding are more relevant than ever; tools like the Job Analyzer, the Job Target, and the Interview Guide play a key role in my success building a top-performing team.”

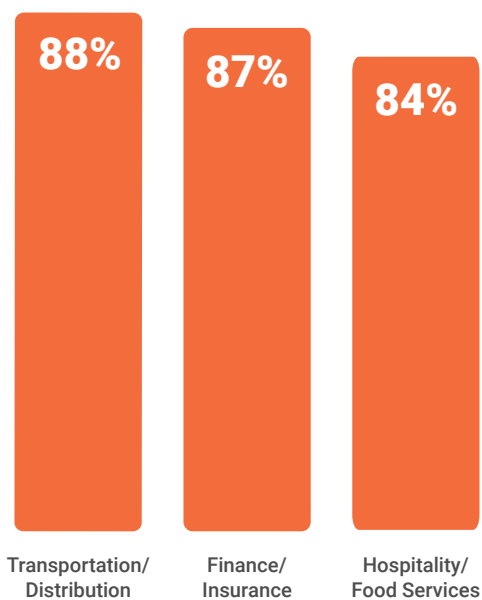
Maribel Olvera | SVP at The Predictive Index



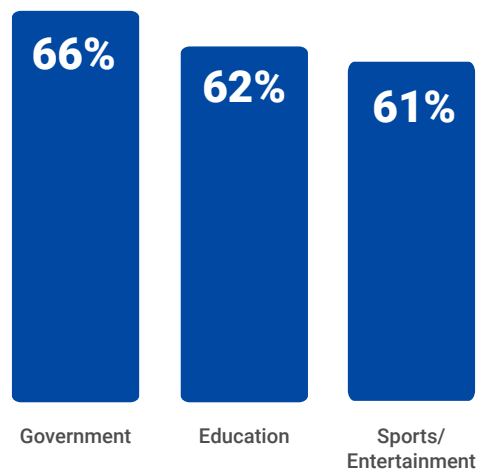
The transportation industry is hiring the most; sports and entertainment is hiring the least.

According to respondents, the industries in which hiring is most prevalent are *Transportation/Distribution* (88%) and *Finance/Insurance* (87%). Those doing the least hiring are *Sports/Entertainment* (61%) and *Education* (62%).

Industries doing the **most** hiring



Industries doing the **least** hiring

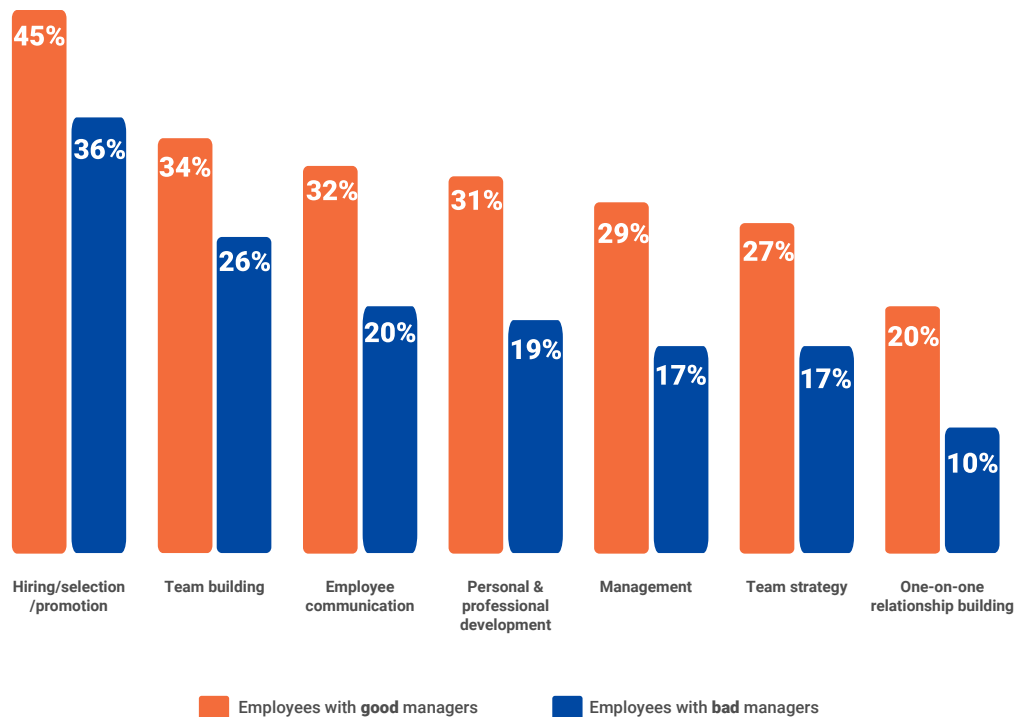


Good managers utilize personality or behavioral assessments with **greater frequency** than bad managers.

In studying how to reinvent your managerial style in times of change, we unearthed some crucial findings. We presented respondents with a list of different [talent optimization](#) practices, and asked them to select those for which their company leverages a personality or behavioral assessment.

The results highlight a telling trend. While a sizable proportion of companies make use of behavioral assessments, that number becomes more pronounced among those with good managers. From communication to hiring and development, the chart below shows the benefits of equipping managers with behavioral data:

Does your company use a personality or behavioral assessment for any of the following scenarios?
(Select all that apply.)





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“Every employee wants to be known and valued, but so few managers are willing to ensure it happens. When managers leverage personality assessments, it creates a perception for employees that check these two critical boxes. If that wasn’t enough, personality assessments dramatically improve the ability for managers to personalize and customize communication with team members to increase engagement and performance.”

John Eades | CEO at LearnLoft

Conclusion: Great teams take time, trust, and awareness.

Managers are navigating the most trying workplace challenges we've seen in decades. The severity of COVID forced organizations and teams alike to adapt—fast. And while the brunt of these changes are behind us, uncertainty remains.

But employees are nothing if not honest—and they have spoken. For organizations to avoid The Great Resignation, they need to listen to their people. Whether it's the flexibility of working *where* you want, *when* you want, or the freedom to take time off and recharge, employees are placing a premium on workplace empathy.

The best way to achieve that empathy is through awareness. By leveraging tools such as [PI Design](#), you can build awareness of your behavioral strengths and gaps—not just on an individual level, but as a team.

See how your behavioral style compares to those you manage or work with. Visualize where you need to stretch your natural behavioral tendencies to best lead these personalities, and start meeting your people where they are. Build trust and communication as a team—and tackle your goals with confidence.



Study methodology

This report was developed with scientific rigor.

Managers play a unique role within organizations. They are required to interface between direct reports and senior leadership, to provide guidance and growth to employees, and often to complete their own tasks—and this year, they're doing it as our workforce transitions out of a pandemic and into a new normal. To gather information on major challenges managers will face this upcoming year, we collected survey responses from approximately 2,000 workers within the U.S. from more than 15 industries.

Participants were required to work full-time within the U.S. and be 18 years or older, but employees at all levels (i.e., individual contributors, managers, and executives) were included in our analyses. Upon gathering the original sample, 32 participants were removed for responding to less than 25% of the survey. Further, 66 participants indicated that they only worked part-time and were therefore excluded from analyses. The final sample consisted of 1,906 participants. The survey took 10 minutes on average to complete.

We developed the survey questions according to best practices in survey research, ensuring questions were clear, concise, and understandable by people with a variety of backgrounds. Questions had response formats designed to balance the richness of data to be collected with the ease of responding. The content of the questions was selected based on a set of research questions identified by subject matter experts as being relevant to major current trends and challenges in people management.

Specifically, we asked closed-ended questions about remote and hybrid work, manager characteristics and skills, co-workers and teams, employee commitment, engagement, and burnout, as well as demographic and work details such as industry and age. This resulted in five major areas of research:

- Unpacking “The Great Resignation”
- The chilling effects of burnout
- Embracing a hybrid world
- Good vs. bad managers
- Building teams that go the distance



All analyses were conducted using Microsoft Excel. Frequencies were calculated for each item with the entire sample. Further, the sample was grouped based on several characteristics including:

- **Good vs. bad managers:** Participants were asked to rate their manager on a scale from 1 (“terrible manager”) to 5 (“world-class manager”). Managers with ratings of 1 or 2 were classified as bad managers, managers with a rating of 3 were considered average, and managers with ratings of 4 or 5 were classified as good managers.
- **Manager burnout:** Participants were asked whether their managers seemed burned out. Participants who agreed or strongly agreed with this statement were classified as having a burned-out manager.
- **Remote vs. non-remote workers:** Participants were required to indicate whether they worked entirely on-site or in-office, entirely remotely, or a combination of the two (i.e., hybrid).
- **Considering a career change:** Many workers within the U.S. have re-considered their career paths in the past year. For that reason, we asked whether participants had thought about changing careers within the past 12 months. Those who said “Yes” were compared to those who said “No.”

The data were coded based on group membership for each of these variables. Frequencies were then produced for each item within each group, permitting us to visually compare groups of interest. Please note that participants were not required to respond to every question, although participants were only retained in the sample if they responded to greater than 25% of the survey. For that reason, the sample size may differ based on question or comparison.



Tipsheet

The 20 biggest findings our research uncovered:

1. **48%** of employees have thought about changing careers within the past 12 months.
2. **79%** of people “feel comfortable” working in-person post-COVID.
3. **63%** of those with a bad manager are thinking of leaving their company within the next 12 months.
4. **70%** of employees with bad managers say team members are thinking about leaving.
5. Burnout is impacting managers and their teams alike.
6. Individual contributors are the least engaged.
7. Teams are *far* more likely to feel burned out when their managers do.
8. **58%** of employees with a burned-out manager are considering quitting.
9. Good managers address disengagement by leading by example.
10. **46%** of companies are adopting fully remote or hybrid work models moving forward.
11. There’s a disconnect between how people currently work and how they want to work.
12. The tech industry is most likely to adopt a permanent remote/hybrid model; the education industry is the least.
13. **68%** of companies have or plan to have some hybrid teams moving forward.
14. The **No. 1 skill employees value** from their managers is *confidence*.
15. The **No. 1 skill employees feel their managers lack** is *communication*.
16. The lack of communication is even more pronounced among respondents with burned-out managers.
17. Employees with good managers are more likely to say their company is helping them adjust to change.
18. **73%** of companies are currently hiring.
19. The transportation industry is hiring the most; sports and entertainment is hiring the least.
20. Good managers utilize **personality or behavioral assessments** with greater frequency than bad managers.