Employee Experience Trends: Top Five Focus Areas for Driving Successful Transformation and Change in 2024

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Organizations and their employees have undergone what seems like a lifetime of change in just a few short years, and it's starting to take a toll. Employee support for organizational change has plummeted from 74% in 2016, to just 43% in 2022, according to a recent Gartner® survey.

Insights from Workday Peakon Employee Voice reveal that employee scores for transformation and change are significantly lower on average compared to all other areas of the employee experience. With the pace of change unlikely to slow in 2024, organizations will need to develop a better understanding of how organizational transformation impacts the employee experience.

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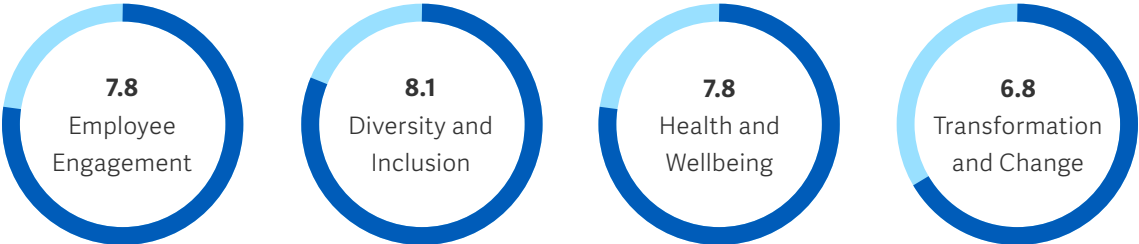
Our analysis of transformation and change scores from over 90,000 employees across 126 organizations reveals a number of valuable insights about what's working, and what's not.

We discovered that managers are struggling more than their teams when it comes to resources and support, but there also appears to be a disconnect between senior leadership and the rest of the business, highlighting the flaws that come with a top-down approach to change.

Transformation and change experiences also have a broad impact across a number of other key experience factors, including health and wellbeing—an important indicator of employee resilience that will be crucial for driving sustainable levels of productivity in 2024.

Empowering managers to own transformation and change.

Managers are at the heart of successful transformation and change, translating senior leader strategy into employee action, mitigating potential risks, modeling the right behaviors, and juggling the day-to-day challenges that arise during times of change.

Even though managers are on the front line of transformation and change, senior leaders are often the ones making decisions—with 75% of organizations adopting a top-down approach.

This places additional pressure on managers, highlighted by the fact that they score lower than individual employees for all but one aspect of transformation and change. What's more, the overall transformation and change experience is where managers are lagging farthest behind their employees. Some of the other areas with significant score differences include:

- **Considering risks**—the impacts and risks of transformation and change have been properly considered, particularly during the planning stages
- **Resources and support**—people have the resources and support they need to do their work during periods of transformation and change
- **Leading through change**—how much trust and confidence people have in their leaders to make the right decisions

Drivers[1]	Employees	Managers
Transformation and Change—Overall Experience	6.85	-0.45
Considering Risks	7.07	-0.32
Resources and Support	7.13	-0.26
Leading Through Change	7.27	-0.20
Rationale for Change	7.07	-0.19
Communicating Change	7.16	-0.07
Impact on Role	7.04	-0.07
Belief in Change	7.59	-0.04
Individual Input	7.11	+0.18

1 See a full description of transformation and change drivers

The only aspect of transformation and change where managers score higher than individual contributors is individual input, which measures whether people feel encouraged and supported to share their views on planned and/or ongoing transformation activities.

> Managers might have opportunities to provide input, but the fact that they score significantly lower across all but one driver of transformation and change highlights the lack of upward impact.

" Change doesn't just happen, it's created—whether through conscious action or non-action. When leaders at all levels have insight into how their teams are impacted by change, they can make informed choices on how to best facilitate or create change."

Elizabeth Pavese, PH.D
Senior Business
Psychologist, Workday

Recommended actions.

Keep involving managers in transformation planning. There is a big difference between being handed a plan of action and told to make it happen vs. having a voice in the conversation when that plan is put together. Involving managers during the planning stages and beyond—such as asking for specific examples and ideas—can positively impact a number of transformation and change drivers.

Follow through on feedback from people leaders. Managers might have the opportunity to provide feedback, but our analysis shows there are still gaps in effectively mobilizing change. For transformation efforts to work, managers need to see their feedback in action and it must address key areas, including risks, trade-offs, and clearer rationale for changes.

Give managers access to team-level insights. Transformation and change often fails because of employee resistance and managers not having what they need to effectively lead. Providing managers with access to insights and feedback from their teams allows them to identify and resolve areas of resistance in real time as well as celebrate progress.

Closing the gap between executive and employee expectations.

It's clear that managers have a more negative experience of transformation and change compared to individual contributors. But is the same true for all levels of management?

As part of our analysis, we segmented managers and employees into different groups based on the number of direct and indirect reports within their team, resulting in four groups:

- **Individual contributors:** employees with no direct reports
- **Frontline managers:** managers with only direct reports
- **Middle managers:** managers with both direct and indirect reports
- **Senior leaders:** managers with the largest employee segments

This grouping reveals that perceptions of transformation and change get more positive the further up in the organization someone is. Frontline managers have the most negative experience of the three manager groups—scoring lower than individual contributors across all but one driver of transformation and change.

Drivers	Individual Contributors	Frontline Management	Middle Management	Senior Leadership
Transformation and Change— Overall Experience	6.85	-0.50	-0.33	+0.62
Belief in Change	7.59	-0.13	+0.17	+0.98
Leading Through Change	7.27	-0.27	-0.06	+0.83
Communicating Change	7.16	-0.48	+0.23	+1.36
Resources and Support	7.13	-0.31	-0.14	+0.65
Individual Input	7.11	+0.13	+0.52	+1.36
Rationale for Change	7.07	-0.32	+0.04	+0.95
Considering Risks	7.07	-0.15	-0.19	+0.73
Impact on Role	7.04	-0.25	+0.29	+1.42

For both senior leaders and middle managers, there are three areas of transformation and change where they score significantly higher than those on the front line:

- **Impact on role**—the amount of information people believe they have about the impact of any planned or ongoing changes in their personal or work life
- **Communicating change**—the level of awareness people have about the status of organizational transformation and change activities
- **Individual input**—whether people feel encouraged and supported to share their views on planned and/or ongoing transformation and change activities

The difference in scores between senior leaders and those within their reporting lines highlights the top-down nature of change within many organizations. The flow of information is often one way, with managers and employees expected to implement change, rather than co-create it.

Recommended actions.

Talk with frontline managers. Due to the size and complexity of most organizations, senior leaders are often forced to make decisions in a vacuum. Their opinions are more likely to be formed by industry trends and the opinions of their peers than those who will be impacted. Make time to talk with frontline managers and gather employee feedback through skip-level conversations and town hall forums.

Create a feeling of collective ownership. Employees are more likely to support transformation and change when they understand why it's happening. Frontline managers need more information, support, and talking points to help ensure that a clear rationale for change is communicated and reinforced. This in turn can help employees to view change as an opportunity, not a threat.

Go beyond top-down communication. Company all-hands meetings or other forms of one-to-many communication might be efficient, but they don't allow people to ask questions and make sense of their role in transformation and change plans. Set up a network of change champions who are available to people across the organization, and provide the whole organization with regular progress updates.

Rebuilding trust to improve engagement and loyalty.

A recurring theme that emerged from our analysis is the importance of trusting leadership to make the right decisions. Leading Through Change had the strongest correlation with engagement, specifically how satisfied employees are, and their willingness to stay.

External research highlights these findings, with employees who report high levels of trust and care from leadership more than 2x likely to agree that their company has successfully navigated external pressures, and 40% less likely to leave.

Outcome	Engagement (Satisfaction)			Engagement (Loyalty)		
Individual Contributors	Leading Through Change	Resources & Support	Belief in Change	Leading Through Change	Resources & Support	Belief in Change
	+0.24	+0.22	+0.18	+0.27	+0.24	+0.19
Frontline Management	Leading Through Change	Resources & Support		Leading Through Change	Resources & Support	Belief in Change
	+0.32	+0.24		+0.26	+0.23	+0.18
Middle Management	Leading Through Change	Resources & Support	Individual Input	Leading Through Change	Resources & Support	Individual Input
	+0.26	+0.18	+0.17	+0.30	+0.18	+0.18
Senior Leadership	Considering Risks	Individual Input		Considering Risks	Individual Input	
	+0.32	+0.29		+0.44	+0.22	

● High (> 0.25)　　● Medium (between 0.15 and 0.25)　　● Low (< 0.15)

One of the key differentiators between individual contributors and frontline managers compared to those in more senior positions is that engagement and loyalty are more likely to be influenced by belief in change, which measures how confident people are that planned transformation and change will be beneficial and ensure the future success for the organization.

This reinforces the importance of trust, especially as these groups have less input during times of change, and have to rely on the decision-making of senior leaders.

Another important aspect of engagement during times of change is whether or not employees feel valued. Research has shown that up to 55% of employee engagement is driven by non-financial recognition—which helps employees feel valued, contributes to higher levels of engagement, and can be a determining factor for employee retention.

The transformation and change driver most likely to impact whether or not someone feels valued is individual input—which is true across all levels of the organization.

Outcome	DEI – Inclusiveness Valued		
Individual Contributors	Individual Input +0.40		
Frontline Management	Individual Input +0.34	Resources & Support +0.22	
Middle Management	Individual Input +0.28	Impact on Role +0.27	
Senior Leadership	Individual Input +0.27	Leading Through Change +0.23	Resources & Support +0.18

● High (> 0.25) ● Medium (between 0.15 and 0.25) ● Low (< 0.15)

There are numerous benefits that come with incorporating employee feedback into transformation and change initiatives. Not only does it result in employees feeling more valued—which translates to higher levels of engagement and productivity—it also provides a quantitative measure of progress, and can increase transformation success rates by as much as 70%.

Recommended actions.

Studies have shown there are two types of trust: task-based and relationship-based. One is based on someone's ability to understand and complete a task, the other on vulnerability and creating a sense of psychological safety. While getting things done might seem more important during times of change, relationship-based trust enables managers and employees to embrace higher levels of discomfort when it comes to learning and development, innovation, and risk-taking.

Be willing to admit mistakes. Leaders are expected to have all the answers, but admitting when something goes wrong, or sharing concerns and uncertainties during times of change, demonstrates vulnerability, which in turn cultivates higher levels of trust.

Recognize others. Transformation and change is a team sport, which is why it's important to recognize people throughout the organization who are driving it and supporting it—especially when it comes to managers and employees on the front line.

Celebrate small wins. We often miss the progress being made along the way, especially in large-scale change initiatives. Highlighting small wins increases people's belief in change and helps them feel valued for their contributions.

Establishing a foundation of employee health and wellbeing.

In the same way that it's impossible to achieve endless growth with a finite amount of resources, organizations will need to develop a better understanding of employee health and wellbeing in 2024 if they want to ensure the success of future transformation and change initiatives.

Overall health and wellbeing scores declined by 0.45 between Q2 2022 and Q2 2023, which further compounds the elevated levels of burnout risk that employees experienced across the majority of industries in 2022 following the global pandemic.

Within the context of transformation and change, one of the best indicators of health and wellbeing is role-related stress, which has also declined by 0.17 since 2022. Perhaps unsurprisingly, role-related stress scores are more likely to be positive when managers and employees have the right resources and support during times of change.

Outcome	Health and wellbeing –Role related stress		
Individual Contributors	Resources & Support +0.34	Impact on Role +0.21	
Frontline Management	Resources & Support +0.36	Considering Risks +0.19	
Middle Management	Resources & Support +0.36	Considering Risks +0.19	
Senior Leadership	Rationale for change +0.30	Belief in Change +0.26	Individual Input +0.25

● High (> 0.25)   ● Medium (between 0.15 and 0.25)   ● Low (< 0.15)

Another important aspect of reducing role-related stress is the level of transparency managers and employees have about the potential impact of change. For managers, that means a proper understanding of potential risks, whereas employees are more concerned with the impact that transformation and change is likely to have on their role.

> Providing managers and employees with the right amount of transparency not only has the potential to reduce role-related stress and improve overall perceptions of transformation and change, it can also create new opportunities for growth and development.

Recommended actions.

Put change into context. Employees can exhaust themselves trying to make sense of change on their own. Talking with people about how changes are impacting their role—what is and isn't changing—helps minimize uncertainty, can increase employee confidence, and invites an open conversation about how employees can be part of the shift.

Be realistic and prioritize workloads. Transformation initiatives are unlikely to succeed if excessive workloads result in employee burnout, absences, or turnover. If additional hiring isn't an option, make sure that goals, expectations, and timelines are reflective of sustainable levels of transformation and change. Don't be afraid to adjust plans.

Foster a sense of belonging. Supportive relationships at work are associated with lower levels of psychological distress. Framing transformation as an opportunity rather than a threat can help to facilitate cross-functional collaboration and knowledge sharing, while also making it easier for managers and employees to ask for help.

Aligning growth opportunities with organizational change.

Based on insights from the latest Workday hiring trends report, organizations are recruiting for fewer roles, coupled with an increase in applications and a decline in voluntary turnover of 20% compared to the same time last year. As a result, organizations will need to recruit the right people for a finite number of roles, and focus on bringing out the best in their existing talent.

Instead of focusing on specific roles and responsibilities, which can evolve quickly during times of change, organizations are more likely to find success with a skills-based approach—which requires a more iterative approach to employee growth and development.

A key factor of growth scores during transformation and change is individual input, which measures whether people feel encouraged and supported to share their feedback.

Giving employees the opportunity to provide feedback allows managers to develop a better understanding of the challenges facing their team, the skills required to overcome them, and how those skills can lead to other opportunities within the organization.

Outcome	Growth		
Individual Contributors	Individual Input +0.23	Resources & Support +0.22	Impact on Role +0.17
Frontline Management	Individual Input +0.21	Impact on Role +0.17	Resources & Support +0.16
Middle Management	Individual Input +0.29	Resources & Support +0.21	
Senior Leadership	Individual Input +0.25	Belief in Change +0.21	

● High (> 0.25)   ● Medium (between 0.15 and 0.25)   ● Low (< 0.15)

Another contributing factor of growth scores for employees and frontline managers relates to the level that employees feel informed about the impact of transformation and change on their role. Being transparent about how someone's role might change not only helps to alleviate some of the mental stress that comes with uncertainty, it also provides employees with an opportunity to reflect on their current skills and ambitions within the context of transformation initiatives.

Tools that leverage machine learning and artificial intelligence, such as Workday Skills Cloud, can help surface personalized recommendations such as connections, mentors, and gigs. This makes it easier for managers, with the help of our Manager Insights Hub, to proactively identify the best opportunities for their employees based on skills interests, helping to improve talent mobility and employee engagement.

Recommended actions.

Identify skills gaps within the organization. Before embarking on a new transformation and change initiative, it's important to know if the mix of skills within an organization can support it. If not, the first step is likely to involve additional hiring and upskilling.

Create growth opportunities internally. Hiring isn't always an option during times of change, but most organizations have a well of untapped talent. Intentionally aligning people with opportunities to upskill or move to another team can help boost engagement and provide a pipeline of internal talent for future roles.

Prioritize ongoing conversations with employees. Transformation and change is inherently messy, which is why one-to-one and team meetings can often fall off calendars. Making time for one-to-one meetings and team conversations keeps growth and development top of mind—unlocking more opportunities for upskilling.

Driving successful transformation and change in 2024.

In order to reverse the stressful effects of ongoing transformation and change on employee engagement and wellbeing, and to ensure the success of future initiatives, organizations will need to shift from a mindset that embodies "surviving the change" to "shaping the change."

That means embracing a more collaborative approach, which incorporates employee feedback from across the business to define a shared vision of transformation and change. Employee feedback can also provide a useful measure of transformation success, especially within the context of existing change frameworks, such as ADKAR:

- **Awareness**: what is the change and why is there a need for change
- **Desire:** willingness to participate and support the change
- **Knowledge:** know how to make the change and what is expected in the future state
- **Ability:** have the desired skills and behaviors to make the change
- **Reinforcement:** monitor and provide feedback to sustain the change

The ADKAR framework recognizes that change management is about addressing both the hearts and minds of employees, as highlighted early on by McKinsey & Company that emphasized the "reshaping of employee attitudes and behaviors is just as critical to the success of a transformation as the implementation of process changes."

As our research shows, ongoing transformation and change comes at a cost. Insights from Workday Peakon Employee Voice not only help to gauge organizational readiness, they also provide a way to operationalize your transformation and change initiatives by mapping engagement drivers to different aspects of change.

To learn more about how Workday can help drive more successful and sustainable levels of organizational transformation and change, get in touch today.

Methodology.

Our analysis of transformation and change scores is based on a dataset of over 90,000 employees across 126 organizations between March 2022 and August 2023.

As part of our analysis, we segmented managers and employees into different groups based on the number of direct and indirect reports within their team, resulting in four groups:

- **Individual contributors:** employees with no direct reports
- **Frontline managers:** managers with only direct reports
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- **Senior leaders:** managers with the largest employee segments

Regression modeling was used to quantify the impact of different transformation and change questions on specific outcomes such as engagement, strategy, and growth.