



The employee outlook

Understanding employee sentiment
and priorities across South Africa



Introduction

The world of work has seen major changes in the last 18 months. While economic, social, environmental and technological factors motivated change in the workplace prior to the COVID-19 pandemic, the pandemic itself has accelerated certain trends. These include remote working, a shift in employees' expectations of their leaders, their attitudes to learning and development, the search for purpose and belonging at work, and the focus on employee mental health and wellbeing.

With an often complex operating environment to manage, South African companies have followed the global trend in adapting to a sharp increase in home working during this period. As a result, the immediate needs of employees in South Africa and what they look for in employers is changing too.

Workday commissioned research with research and strategy consultancy Yonder Consulting, to better understand employee sentiment and priorities across Europe and South Africa. This insight will help leaders throughout the region to better understand the immediate expectations of employees returning to workplaces in the near future, but also plan for future changes in attitude that will take place in the fallout from the last two years.

Our approach to change

At Workday, we use our own technology to measure sentiment amongst our employees every Friday. Unlike with annual snapshots to understand the employee experience, we know where people stand with very timely measures of employee sentiment, especially during these incredibly dynamic times. We analyse the data to find ways to continually improve our workplace culture. It helps us to plan for the unexpected and ensure that as our employees change, we can adapt with them.

Like us, those organisations who are best placed to lead the recovery from the effects of the COVID-19 pandemic understand the importance of bringing together financial, people and operational data so they can continuously see the whole enterprise picture. It helps them to stay ahead of the accelerated pace of change and anticipate multiple scenarios, leading to better-informed decisions and quick pivots.

At Workday, the exceptional customer experience and continuous innovation we offer assists a diverse range of industries and sectors. We believe that by developing a deep understanding our people – their hopes, fears and what truly engages them – we can start to truly plan for the future of work.



Research methodology

Workday partnered with Yonder to conduct this quantitative study across Europe and South Africa.

South Africa was the first country outside of Europe to conduct this research, which was undertaken prior to both the third wave of COVID-19 infections and the political unrest that took place in the country in early July 2021.

Yonder undertook 17,054 online surveys in total, across nine European countries and South Africa, with employees who were below Director level and work at an organisation with 250+ employees.

The sample size from each market is shown in the adjacent table.

Throughout the report, four key industries have been analysed: financial services (FS), professional services (PS), tech, telecoms/ media & IT (TMT) and retail/food, beverage & restaurants (RFBR).

MARKET	TOTAL NUMBER OF RESPONDENTS PER MARKET
UK	2,011
France	2,007
Sweden	2,007
Netherlands	2,006
Spain	2,006
Germany	2,005
Italy	2,005
Belgium	2,003
Switzerland	1,004
South Africa	1,031



Foreword

The last 18 months or so have brought with them unprecedented change, leading to significant changes in human behaviour to adapt to the impact of the COVID-19 pandemic. While family life and social dynamics have had to be rethought to ensure safety and to prevent the spread of the virus, it can be argued that work environments – where people spend the majority of their time – needed to make the most significant adaptations, and at a rapid pace, if organisations were to ensure business continuity.

Like many across the world, South Africans have had to bring work into their home environment, adapt to online meetings and balance work with parenting and schooling online. Many struggled with, not only the safety and concerns of COVID-19, but also challenges to their mental health. Others were able to thrive, feeling more comfortable working from home and embracing the opportunity to be more productive and efficient.

Unsurprisingly, during this period, many employees' attitudes to work, including their expectations and their view of leadership have changed. Conversely, employers' views and expectations of employees will also have shifted. While some might appreciate the efficiency and comfort of working from home, others may feel it is an infringement of their personal life or miss engaging and collaborating one-on-one with colleagues.

Our research found the majority of surveyed employees in South Africa worked from home, albeit accompanied by some level of office working. This was a significantly higher proportion when compared to the average across European markets surveyed. Despite the minority never having done so previously, and issues such as internet connectivity cited as impeding their ability to work for longer periods at home, they claimed to be more productive and less stressed working from home. This again was a significantly higher average than the European result.



However, the perceived need to be 'always on' and a struggle to stay motivated when working from home demonstrated the upsides and downsides of remote working on employee wellbeing. Our research also found that employees in South Africa are considerably more likely to feel that the pandemic had a negative impact on their career opportunities and development compared to European respondents.

Our research shines a light on the critical factors driving employer-employee relationships and how that may change over the next few years. Both positive and negative reflections regarding work life and aspirations are key in developing programmes of support and structures to maintain and enhance relationships. While employees may express dissatisfaction in one area, highlighting this concern allows for improvement when the correct programmes or interventions are created. Conversely, understanding what employees perceive positively allows workplaces to repeat these experiences or ensure that programmes support these outcomes.

Vaccination programmes are successful to varying degrees across the globe, with some seeing large numbers of their population vaccinated and others not meeting intended targets to be satisfied that population immunity will be successful. As South Africa remains in the eye of the pandemic, with its vaccination programme not meeting its intended target, businesses should also be thinking about the post-pandemic world, including how and where they enable employees to work.

Political unrest has also taken a dramatic toll, with economists estimating the value of damage to property in the recent riots to be R50 billion. Many small businesses have struggled to restart and this will likely have a further knock-on effect in terms of job losses and economic growth.

It's for this reason that we undertook this research in both Europe and South Africa. It allows us to better understand employee mindsets and create comparative data across geographies. This data can help guide business leaders and gain better insights into their workforce: their thoughts, feelings and expectations in relation to work and how the last year or so has impacted them.

For organisations to overcome the economic impact of COVID-19, and to grow and adapt in the current challenging environment, they have to understand the people who drive their businesses.

Kiveshen Moodley,
Country Manager, South Africa, Workday



The shift to working from home

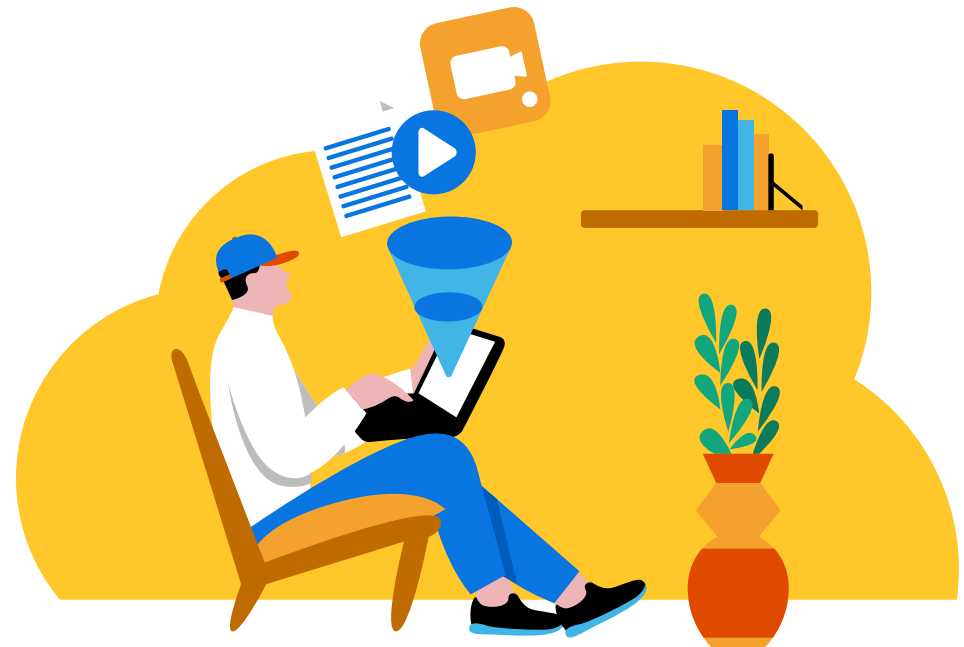
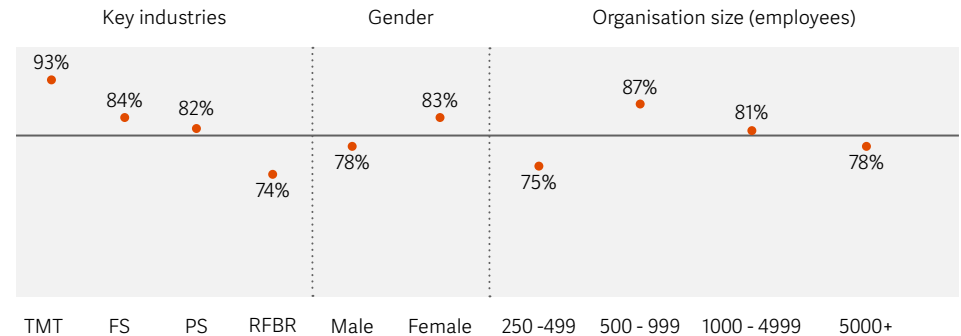
The COVID-19 pandemic has accelerated the remote working trend both globally and in South Africa. When employees return to their workplaces, employee expectations and ways of working will have evolved, in some cases, dramatically. According to our research, the workforce of the future will be more blended (full time, part time, temporary), open to remote working technology and focused on the importance of wellbeing and culture.

In South Africa an average of 80% of employees surveyed reported working from home (higher than the European and UK average of 61% and 71% respectively) at some point during 2020. Despite an average 39% of employees surveyed across all markets who worked from home last year rarely or never doing so previously, most split their working week fairly evenly between being at the workplace and home, representing a major shift in behaviour.

Encouragingly, many employees feel their organisations reacted well to sudden fundamental changes to working environments. Most employees working from home (72%) reported solid morale (as compared to the European standard of 56%) saying they were more productive and less stressed working from home though a similar proportion felt they needed to be always available to colleagues and clients.

Over three-quarters of respondents (82%) felt that their organisations provided information, tools, support and training on how to effectively work from home, which was only slightly lower than the 84% of employees in Europe who felt the same.

Percentage of employees who have worked home during 2020



A huge proportion of employees (96%) experienced internet connectivity issues when working from home during 2020 – the majority of which (64%) reporting that this was either all the time, regularly or occasionally.

This is largely due to power cuts in the country which impact internet connectivity. A recent report by the Council for Scientific and Industrial Research (CSIR) estimates that the total economic impact of load shedding in South Africa could be as high as R338 billion over the past 10 years. The report states that in 2019, blackouts persisted for a total of 1,352 GWh – or 530 hours.

With load shedding expected to persist for an additional two to three years, internet connectivity is perhaps reliant on employers finding alternate energy solutions for employees working at home.

With improved internet connectivity, employees can work from home both more efficiently and for longer periods of time. Where many rely on mobile connectivity which is interrupted or slows in speed during power outages, this may remain a challenge.

Better support that builds connectivity among employees working remotely will be important to create a sustainable hybrid working culture that allows employees to thrive and collaborate, regardless of location.

Employee morale and motivation levels

Compared to Europe (46%), a higher percentage of South African employees (53%) have found it difficult to motivate themselves at work recently, especially those who work in RFBR. The top motivational struggles mentioned are pay rises and bonuses being cancelled or delayed, and employees being asked to do different roles or take on additional responsibilities.

While employees in South Africa have faced day-to-day stress factors such as high levels of crime, COVID-19 has also had an impact on mental health, with support groups such as the South African Depression and Anxiety Group (Sadag) reporting that call volumes more than doubled during the last year.

Concerningly, 51% of organisations have made redundancies since the beginning of the COVID-19 pandemic and this figure rises to two-thirds of organisations when looking specifically at the RFBR sector.

Almost two-thirds (63%) of employees believe they have lost opportunities to develop their career and gain new responsibilities and skills in 2020, and 46% believe it's more important to focus on personal career goals than the needs of the organisations they work for.

This sentiment was most pronounced in RFBR, where 75% of employees felt they had lost opportunities to develop their careers. Only 15% of RFBR employees felt it was selfish to focus on their career development at the moment. Employees in TMT showed the second highest level of having lost opportunities to develop their career at 64%, with 39% of employees in this sector feeling it was selfish to focus on their career development at the moment.

Reasons why employees have struggled to motivate themselves at work recently



Evaluating leadership performance

Employees generally have positive perceptions towards their leadership teams and a majority feel their organisation's leaders have navigated the last year to the best of their ability. Those leaders who are perceived to have performed better have been viewed as honest, trustworthy, caring, supportive, approachable, inspiring and competent. They also consider them to be cooperative.

Leaders in the TMT and FS sectors in South Africa perform better than their counterparts in other key industries surveyed.

Sixty eight percent of employees feel their leadership team's communication has increased in 2020, a significantly higher proportion compared to Europe (43%).

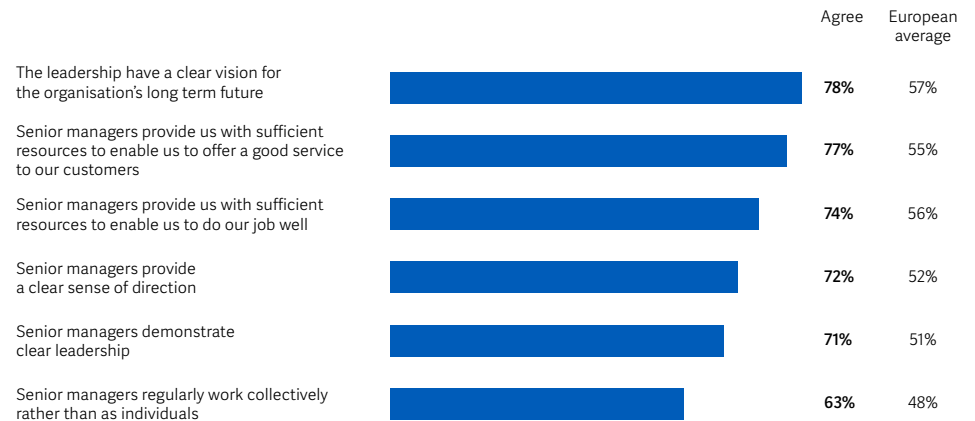
Employees in South Africa are significantly more likely to feel their senior managers have demonstrated clear vision, managed resource and understand the role they will play in the future of the organisation compared to the average across Europe.

To understand the underlying attitudes towards leadership teams, Yonder conducted an Implicit Response Test (IRT) within the survey.

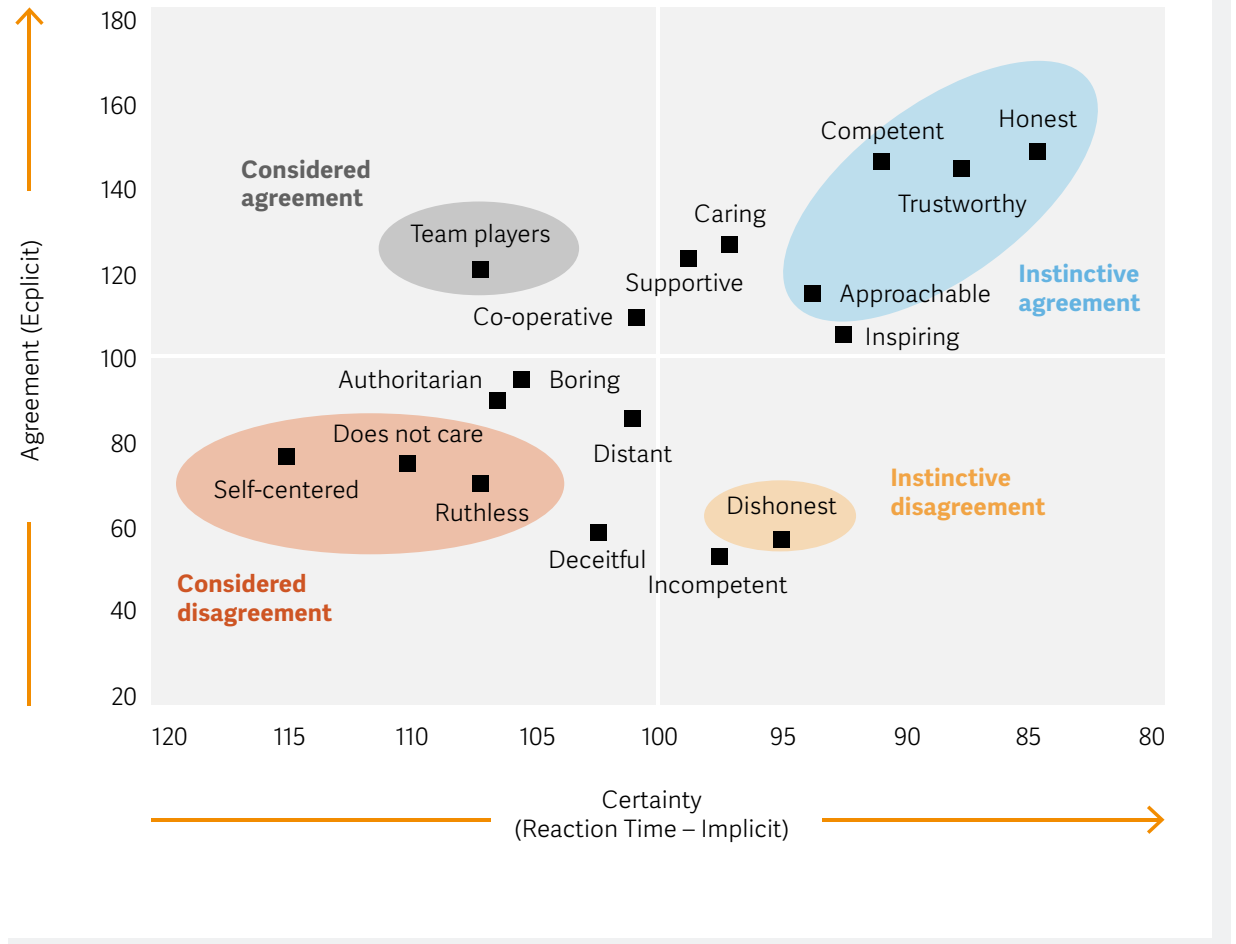
This technique taps into automatic respondent associations by asking respondents to give their immediate reactions to an idea: the speed of their response indicates the strength of their implicit reaction. In this instance, respondents were asked to think about leadership in their organisation. This could be the sole person in charge of the company or if the respondent was part of a larger organisation, they were asked to think about the senior leadership team. Respondents were then shown a series of pairs of opposing words/phrases e.g. inspiring or boring. In each case they were asked to choose the one they thought best described the leadership in their organisation.

Asked if leaders put less emphasis on mental health and wellbeing during 2020, 42% of employees disagreed. Employers who are not seen as prioritising health and wellbeing are likely to be met by concern and frustration. This is again a key factor in the South African context where societal factors such as crime play a role. Added to this is the impact on financial wellbeing in many households impacted by retrenchments. Employees need to ensure enhanced support for mental wellbeing in a manner that is accessible both from work-from-home and office environments.

Perception of leadership team



Employees' explicit and implicit associations with current leadership team



Role changes and future motivations

Over half (53%) of South African employees claim they will be likely to look for a new employer in the next 12 months. This is significantly higher than the European average of 25%. Those working in RFBR or aged 18-34 are the most likely to claim they will look for a new employer in the next 12 months and when the COVID-19 pandemic has ended.

Forty six percent of employees said they would switch careers to seek better training and development opportunities. This was followed by the need to seek better pay (39%), a more senior role (36%), career change (35%) or a more interesting role (34%). Half of employees in South Africa feel trapped in their current job due to economic uncertainty though a similar proportion do feel they will get a pay rise in the next 12 months.

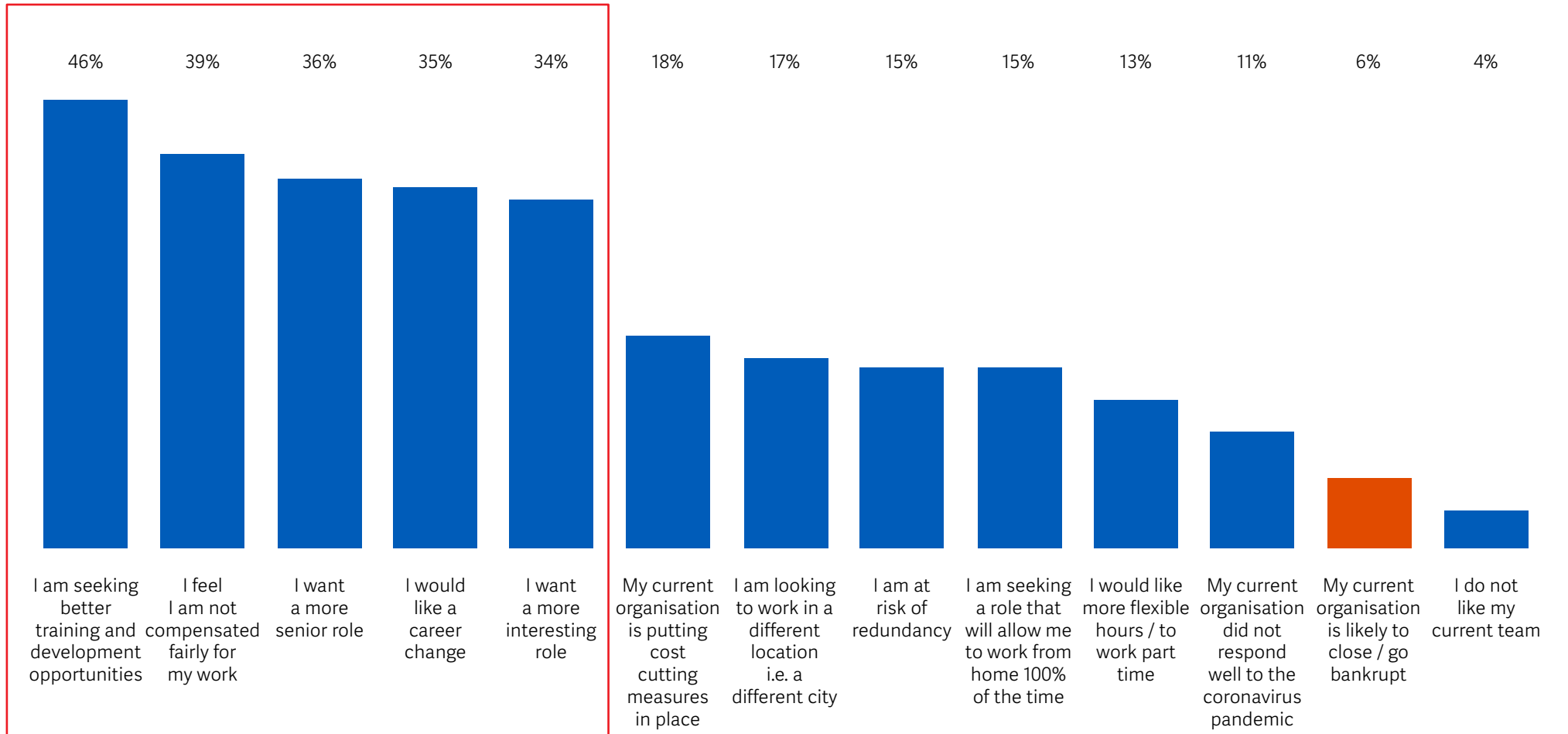
To assess the most motivating factors driving the decision to seek a new role, we used a Maximum Difference Scaling (MaxDiff) to find out what are the most motivational aspects of a job role. A MaxDiff is a way of evaluating the preference (or importance) of a number of alternatives. It's a discrete choice technique where respondents are asked to make simple most/least choices.

In this instance, respondents were asked to imagine they were looking for a new role and to think about the different aspects they would evaluate when deciding which organisation they would like to work for. They were then presented with four different aspects of a potential future role and asked to pick which would most motivate them to work for an organisation and which would least motivate them. They repeated this exercise 12 times testing 19 different elements.

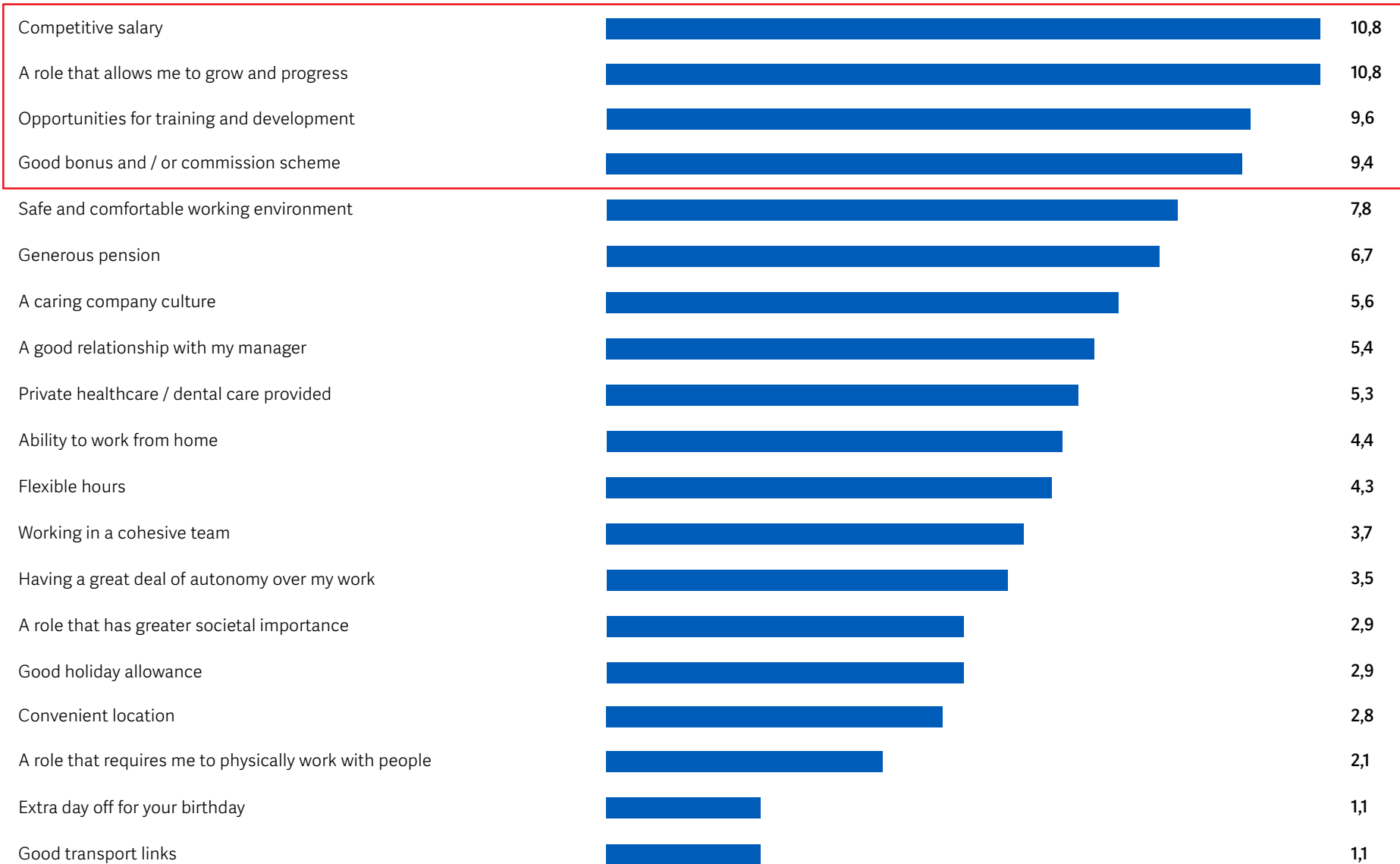
Competitive salary and a role with growth and progression are the most motivational aspects of searching for a new role in South Africa, followed by better training and development opportunities and a good bonus/commission scheme.



Reasons why employees are likely to look for a new employer in the next 12 months



Most and least motivational element of a future job role



Feeling trapped

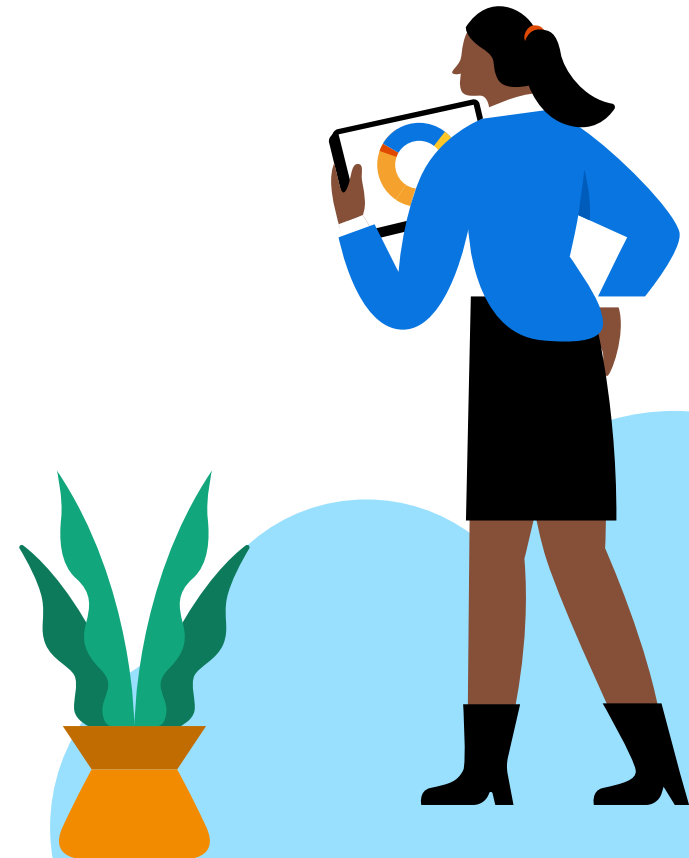
This points to a significant percentage of the employee workforce not wanting to stay in their current employment, but having to do so to ensure financial security.

It therefore becomes imperative that companies find ways to increase a sense of belonging and fulfilment and manage issues within the workplace that affect employees. Without intervention, companies may experience a significant performance risk.

Looking ahead

More than half (53%) of employees in South Africa claim they will be likely to look for a new employer in the next 12 months. Fifty five percent will look for a new employer after the COVID-19 pandemic. There was also an 83% overlap between these two groups.

Worryingly, this is driven by younger employees (18-34-year-olds) and those working in RFBR. Alongside better pay, a perceived lack of career development and growth opportunities are clear drivers for why so many are likely to seek new employment. Employees wanting to retain their top talent need to ensure that the requisite opportunities exist for employees through development and training.



In closing

It's reassuring to see that many companies and their leaders have managed to adapt to the unique and varied challenges of the last 18 months or so. The challenges brought on by the pandemic and economic downturn have elevated the role of the CHRO and other people leaders to help CEOs manage employees during a time of crisis and chart a course for the future.

The perfect storm of cultural upheaval, employee stress, business challenges and opportunity has created a critical moment for businesses, and if they don't meet it, they risk alienating employees, falling behind technologically, and missing opportunities to retain, engage and develop their workforce.



This period has dramatically accelerated the urgency and importance of organisations embracing the next big IDEAS in human capital management, and addressing five key areas:

Inclusion and Belonging: Organisations that are investing in diversity, inclusion, belonging, and equity are not only reaping substantial bottom-line benefits, but they are also outperforming competing companies, and seeing higher rates of innovation by having employees who feel a deep sense of belonging and commitment.

Digital Acceleration: Digital transformation takes centre stage and is the top priority for business leaders as more employees will continue to work remotely and employee support and services will need to be delivered virtually and digitally.

Enabling Experiences: Creating compelling employee experiences that connect, support, empower, inspire and engage workers in a new and more flexible way of working.

Agile Organisation: Automating and augmenting work to enhance, elevate and extend the expertise of the workforce so leaders can quickly and effectively manage, mitigate and minimise disruption, and redirect and redeploy resources.

Skills Imperative: Build the critical skills and competencies for the organisation by 1) understanding what skills gaps their employees have; 2) effectively integrating learning into employee workflows and experiences; and 3) creating skills development solutions that can scale to meet evolving skills needs.

Methodological rationale

A sample size of 1,031 respondents provided an acceptable base from which to conduct analysis. The margin of error on a 1,031 sample size is +/- 2.2% at a 95% confidence level, which means that if the survey was conducted 100 times again, 95 times out of 100 it is expected that the results would alter by a maximum of +/- 2.2%.

The size of the online panel was sufficient to allow a good sample of employees working in organisations with 250+ employees. A sample size of 2,000 respondents in each market was the target for fieldwork as it provides a robust base from which to conduct analysis. The margin of error on a 2,000 sample size is +/- 2.2% at a 95% confidence level, which means that if the survey was conducted 100 times again, 95 times out of 100 it is expected that the results would alter by a maximum of +/- 2.2%.

Questionnaire design

The questionnaire was 15 minutes in length and contained a mix of grid, multiple choice and yes/no questions. It covered topics related to working from home, skills, learning, development, leadership and motivation.



Translations

Before launching fieldwork fully, Yonder conducted a soft launch involving 50 preliminary interviews in each country to check questionnaire flow and understanding of the question text. Yonder included an open-ended text box at the end of each survey to help identify any potential challenges or problems that respondents experienced completing the survey. No issues were detected after the soft launch, and so no changes were made to the survey before the full launch.

Advanced analytics

To dig further into understanding employees' true feelings towards their current leadership team, evaluate leadership performance over the past 12 months and identify the most motivational aspects of a job role, Yonder used three advanced analytical techniques. These techniques were an Implicit Response Test, a Leadership Performance Index Score and a Maximum Difference Scaling (MaxDiff). Further information on each can be found on pages 3 and 7.

Yonder Consulting

Launched in October 2020, Yonder brought together the expertise of four specialist businesses: Populus Limited, Populus Data Solutions, BrandCap and Decidedly. Yonder has teams in London, New York and Hong Kong. Yonder is a member of the British Polling Council and abides by its rules. Further information is available at <https://yonderconsulting.com/>.



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