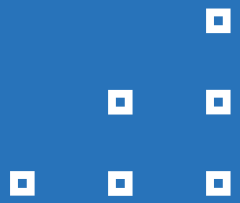




People at Work 2023: A Global Workforce View

Nela Richardson, Ph.D.

Marie Antonello



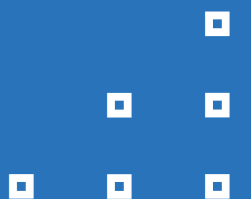
Contents

Executive summary	4
Introduction	6
Data and methodology	7
Pay and compensation: how much is enough?	8
The importance and impact of flexibility	14
A caring workplace culture	20
Feelings about the future	26
Conclusion	31

Regional Workforce View

Europe

32



Executive summary

The sense that workers want – and need – a lot from their job is stronger than ever. They require remuneration that keeps pace with rising living costs as well as making them feel valued for their efforts. They need work to satisfy them personally and professionally, giving them the flexibility that so many people have come to expect in recent years. They want a supportive company culture that strives for fairness and inclusivity. And they expect employers to invest in their futures via proactive career development and training opportunities.

Our key findings on all these issues include:

1 Pay and compensation: how much is enough?

Workers have high expectations for pay rises this year. More than six in 10 (62%) received a rise last year with increases averaging 6.4%. But that's unlikely to silence demands for more: especially since 44% think they are underpaid for their job. Over eight in 10 (83%) workers expect a rise in 2023 and on average they foresee an 8.3% uplift. But just over a third (34%)

expect an increase of 10% or more. Men both received and anticipate bigger pay rises than women – and yet they're more inclined to say they're not paid enough¹. Incorrect payments remain a persistent problem. At a time when the cost-of-living crisis has been squeezing workers' finances, 43% say they're always, often or sometimes paid less than they should be, potentially exacerbating cashflow problems and possibly causing financial hardship.

2 The importance and impact of flexibility

Flexibility has been overtaken by considerations such as career progression and enjoyment of the day's work in terms of what workers see as the most important factors in a job, although almost three in 10 (29%) workers still view flexibility of hours important. Workers with 'hybrid' working arrangements are the most satisfied with the flexibility they have (60%); those working solely on-premise are least happy (50%). This represents a challenge for employers to meet the flexibility needs of workers who have no choice but to come in to work. Remote-only workers have the most flexibility to choose where they work (22%) and they're more inclined to consider gig work (14%). Overall, only 8% of workers have considered doing gig work recently, suggesting little incentive exists in the current environment. Remote working is taking on an increasingly international perspective: almost half (48%) of workers say they have already relocated or are considering relocating overseas and stay working for their employer.

3 A caring workplace culture

Workers agree that they're able to be open about their physical (68%) and mental health (64%) at work. Most agree they're supported by their managers (64%) and co-workers (71%), though the proportion saying so has declined. Fewer people agree that their work is suffering due to poor mental health compared to the year before². Yet the proportion remains high, at just under half (47%), and nearly two-thirds (65%) are saying that stress adversely affects their work. Employers continue to innovate when it comes to initiatives to support positive mental health, with team building activities (27%) and stress management breaks (27%) at the top of the list. Employee assistance programmes are gaining traction (22%), but offering special counselling (18%) is less in favour. Companies continue to progress diversity, equity and inclusion (DEI) initiatives, with larger companies improving the most.

4 Feelings about the future

Although 62% of workers agree that no sector will escape the effects of economic uncertainty, the technology/information industry is seen as the most 'future-proof' (44%). Almost four in 10 workers (37%) agree that they don't feel secure in their jobs. Nonetheless, optimism about the next five years in the workplace remains high (87%). Finance workers feel most satisfied with the career progression opportunities and training/development on offer: 63% say so, compared to around half in many other industries surveyed. The youngest workers agree that they feel least secure in their jobs (50%), but they're prepared to be agile by considering changing industries (20%) and even starting their own businesses (25%). Meanwhile, one in six over 55s (17%) are considering early retirement.

1. 66% of male and 58% of female respondents say their salary increased over the past 12 months, and 85% of male and 80% of female respondents expect their salary to increase over the next 12 months. 46% of male and 42% of female respondents said they are underpaid.

2. 53% somewhat or strongly agree that they feel their work is suffering due to poor mental health in the previous year (People at Work 2022 report).

Introduction

The workplace in 2023 is still reverberating with the lingering effects of pandemic-driven upheavals to the global labour market. Employers face worker shortages and escalating wage growth, while seeking to drive up productivity and profitability amid other rising business costs. It remains to be seen whether the balance of power will eventually revert away from workers now that high-profile layoffs have started to take place in some industries. But with high inflation unlikely to return to what many people have come to see as ‘normal’ low levels any time soon, pay growth is set to stay a key area of focus for workers and companies as we look ahead.

That’s not to say, however, that issues like flexibility, a positive working environment, inclusive company culture or good career prospects and job security are not critically important also. As workers continue to demand and expect to be given more, the onus is on employers to come up with innovative ways to satisfy their needs in a way that makes sense, and thus ensure maximum motivation, dedication and effectiveness in their workforce.

ADP Research Institute’s People at Work 2023: A Global Workforce View report is a vital source of intelligence and insight into how workers around the world are feeling about the world of work today and their hopes and fears for the present and the future. It also points to some of the initiatives and best practices that companies are developing to enable employees to flourish. This information should empower senior executives and HR professionals to make smart decisions about how to address key issues ahead.

Data and methodology

People at Work 2023: A Global Workforce View explores employees’ attitudes towards the current world of work and what they expect and hope for from the workplace of the future.

ADP Research Institute® surveyed 32,612 workers in 17 countries around the world between 28 October and 18 November 2022 including over 8,613 working exclusively in the gig economy:

15,290 in Europe

- France, Germany, Italy, the Netherlands, Poland, Spain, Switzerland and the UK
- Including 4,046 in the gig economy

5,751 in Latin America

- Argentina, Brazil and Chile
- Including 1,516 in the gig economy

3,850 in North America

- USA and Canada
- Including 1,022 in the gig economy

7,721 in Asia Pacific

- Australia, China, India and Singapore
- Including 2,029 in the gig economy

Within the worker sample we identified gig workers and traditional workers. Gig workers were identified as those who work on a contingent, temporary or seasonal basis, or as a freelancer, independent contractor, consultant, gig worker, or use an online platform to source work. Traditional employees were identified as those who are not working in the gig economy and instead have a permanent full or part-time position.

The survey was conducted online in the local language. Overall results are weighted to represent the size of the working population for each country. Weightings are based on labour force data from the World Bank³, which is derived using data from the ILOSTAT database, the central statistics database of the International Labour Organization (ILO), as of February 8 2022.

3. Source: The World Bank, Labor force, total, World Development Indicators database, February 8, 2022

Pay and compensation: how much is enough?

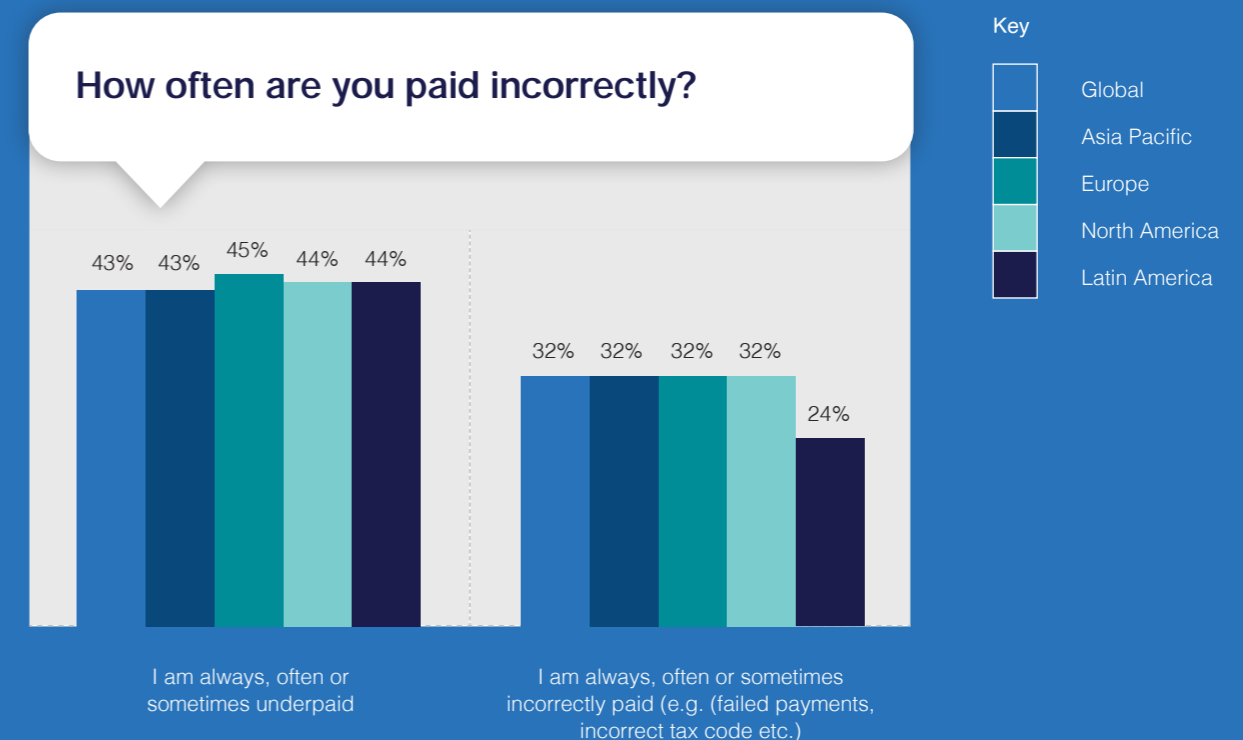
Today, pay is an extremely pressing concern. As the cost of living has soared, workers across lower- and middle-income bands have found that their incomes have been severely stretched, and even some higher earners are feeling the pinch. Spending on essentials, let alone luxuries, is being tightly squeezed as they grapple with soaring energy bills, rising rents, increasing interest rates and escalating food bills. Even if inflation has peaked, it remains historically high in many countries and may take some time to return to more comfortable levels. No wonder, then, that salary remains the number one priority, with just over six in 10 (61%) people saying it's the most important factor in a job.



Precise payments matter more than ever

Against this challenging financial backdrop, being paid correctly matters more than ever. Workers simply cannot afford to have their cashflow adversely affected by incorrect or non-payments – and our research shows that this remains a persistent problem. More than four in 10 respondents (43%) say they're always, often or sometimes underpaid and nearly one in three (32%) regularly experience some other kind of incorrect payment issue, such as a failed payment or an incorrect tax code. If people are repeatedly paid the wrong amount, this could cause real financial hardship, impacting their ability to pay their bills and putting them at risk of getting into debt.

How often are you paid incorrectly?



On a positive note, more than seven in 10 (71%) say that they have access to their pay information online, enabling them to keep an eye on when and how much they're being paid. Theoretically, this should make it easier to spot discrepancies and anomalies. In reality, it's not always easy for workers to know whether they're being paid correctly, given complexities in areas such as tax codes, accounting for part-time hours: overtime or flexi-time or the way bonuses are calculated. Making sure payments are accurate is essential. If not, it could destroy employee trust.

Questions of whether compensation is fair and a desire to ensure that remuneration keeps pace with inflation are also front of workers' minds. So how are companies navigating their employees' demands for higher pay, given their own challenges around rising costs and tightening profit margins?

More than six in 10 (62%) workers received a pay rise last year, with Latin American workers the most likely to have been given one (69%) and Asian workers the least (60%). Those pay rises averaged 6.4%, which fell short of the International Monetary Fund's (IMF) global inflation forecast for 2022 of 8.8%⁴, equating to a real-terms pay cut. Again, Latin Americans received the highest pay rises (of 7.7% on average), while Europeans were given the lowest (at 5.4%).

These rises are unlikely to silence demands for more this year, since 44% of workers believe they are underpaid for their job, rising to half in Europe (51%) and North America (50%). Workers are confident that they will get a pay rise (62%) or a bonus (41%) from their current employers in the next 12 months – but if not, there's a strong sense that they'll be able to secure one by moving jobs. Overall, more than four out of five workers (83%) expect to be able to achieve an increase in salary over the next 12 months (whether from their existing employer or not) and on average they anticipate pay rises of 8.3% (increasing to 10.3% in Latin America). Over a third of workers (34%) expect an increase of 10% or more this year.

Salary increase over the last 12 months

	Global	Asia Pacific	Europe	Latin America	North America
Decrease (pay cut)	5%	6%	4%	3%	3%
No increase or decrease	33%	34%	34%	28%	29%
1-3%	19%	17%	26%	18%	23%
4-6%	17%	18%	18%	15%	17%
7-9%	11%	11%	9%	11%	10%
10-12%	10%	10%	6%	11%	10%
13-15%	2%	2%	2%	4%	3%
More than 15%	3%	2%	2%	10%	4%
Average increase	6.4%	6.4%	5.4%	7.7%	6.3%

Expected salary increase over next 12 months

	Global	Asia Pacific	Europe	Latin America	North America
Decrease (pay cut)	1%	1%	2%	2%	2%
No increase or decrease	16%	13%	29%	12%	23%
1-3%	14%	12%	21%	8%	24%
4-6%	20%	20%	20%	14%	18%
7-9%	15%	17%	12%	12%	12%
10-12%	18%	20%	9%	21%	12%
13-15%	6%	6%	3%	8%	4%
More than 15%	10%	10%	4%	22%	4%
Average increase	8.3%	8.5%	6.3%	10.3%	6.6%

How much, if at all, did your salary increase by over the last 12 months and how much would you expect it to increase by over the next 12 months?

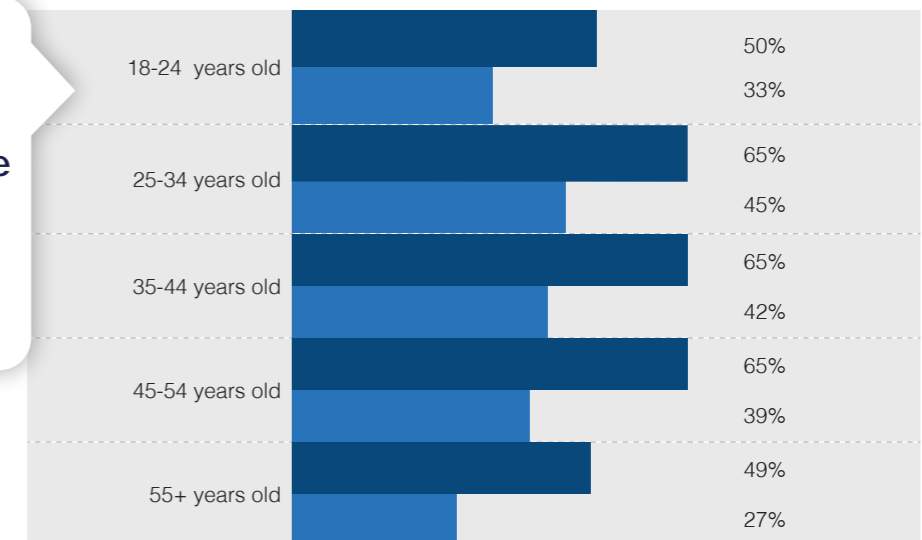
		My salary increased over the past 12 months (Net)	Average % increase	I would expect my salary to increase over the next 12 months (Net)	Average % increase
Asia Pacific	Australia	66%	5.0	75%	5.7
	China	50%	5.8	83%	8.7
	India	78%	7.2	90%	8.4
	Singapore	70%	5.5	79%	6.5
Europe	France	68%	5.0	66%	5.6
	Germany	66%	5.5	72%	6.1
	Italy	43%	5.6	55%	6.3
	Netherlands	75%	4.9	76%	5.3
	Poland	68%	7.0	83%	10.0
	Spain	57%	4.7	62%	5.4
	Switzerland	73%	6.1	82%	7.0
	UK	66%	4.9	71%	5.6
Latin America	Argentina	85%	11.6	88%	12.8
	Brazil	67%	6.8	87%	10.0
	Chile	58%	6.3	65%	7.8
North America	Canada	61%	4.9	73%	5.4
	USA	68%	6.5	75%	6.7

4. Source: International Monetary Fund, World Economic Outlook Report, October 2022

But if employers are not in a position to award salary increases or bonuses, what other kind of compensation might satisfy workers? Almost four in 10 workers would be happy with additional paid leave (39%), while shorter working weeks (32%), grocery or shopping vouchers (28%) or a one-off payment to help with the cost of living (26%) are next on the list. Companies that take an innovative approach to finding new (and potentially more cost-effective) ways of rewarding staff in difficult financial circumstances could find that there are benefits on both sides.

Which of the following, if any, do you expect to achieve in your current company within the next 12 months?

Key ■ Pay Rise ■ Bonus



Last year, pay rises for men averaged 6.7% compared with 6% for women.

Addressing pay disparities

Women's pay raises aren't quite keeping pace with men's - either in terms of the increases already received or when it comes to expectations for future rises ahead. Last year, pay rises for men averaged 6.7% compared with 6% for women. Men also expect to see their pay increase by an average of 8.5% in the year ahead, while women foresee rises of 8%. And notwithstanding the higher pay rises awarded to men last year, men are more likely than women to feel they're underpaid for their job (46% say so, compared to 42% of their female colleagues).

Younger and older workers also believe they'll be overlooked by their employers when it comes to pay rise and bonus awards. Just half (50%) of the so-called 'Generation (Gen) Z' age bracket (which covers 18-24-year-olds) expect to achieve a pay rise in their current company in the next 12 months, as do those aged 55 and over (49%), whereas around two-thirds of all other age bands anticipate one. Similarly, only a third (33%) of Gen Z and less than three in 10 (27%) of those approaching retirement age believe they're in line for a bonus, versus around two in five of their co-workers.

Ignoring both experienced workers and young talent in this way could prove short-sighted, even if there's an argument that it's financially expedient. Vital skills and potential could be lost if workers think they can get higher pay elsewhere. It also risks failing to inspire or engage the next generation entering the job market. That would be a great shame because the data indicates that, at the moment, young people are highly motivated.

Younger workers are putting in more hours of unpaid overtime by starting early or staying late and working over breaks and lunchtimes than their older colleagues. They give away an average eight hours 30 minutes of 'free' work per week (18-24 and 25-34 year olds), compared to eight hours and three minutes for 35-44 year olds, seven hours 28 minutes for 45-54s and five hours 14 minutes for the 55 and overs. Will Gen Z still feel so driven to go the extra mile if their efforts are not recognised with pay rises and bonuses?

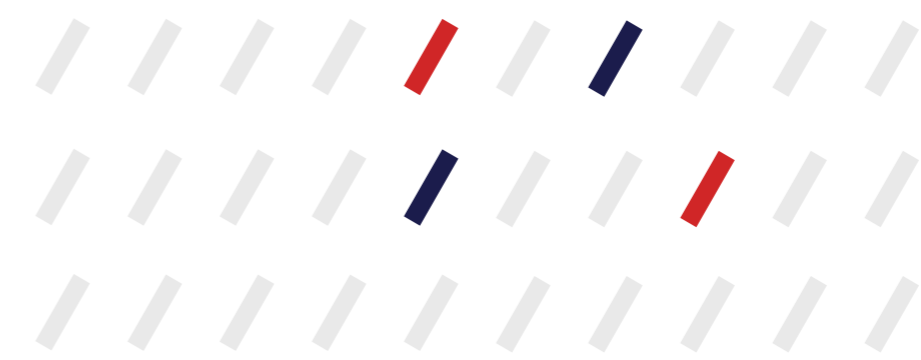
Overall, workers averaged eight hours and six minutes of unpaid working time, down slightly from eight hours 33 minutes last year. And, as in previous years, workers in Asia Pacific are still working the most time for free (eight hours 38 minutes on average). This highlights the importance of ensuring that workers are productive and that the working day is efficient.



Overall, workers averaged eight hours and six minutes of unpaid working time, down slightly from eight hours 33 minutes last year.

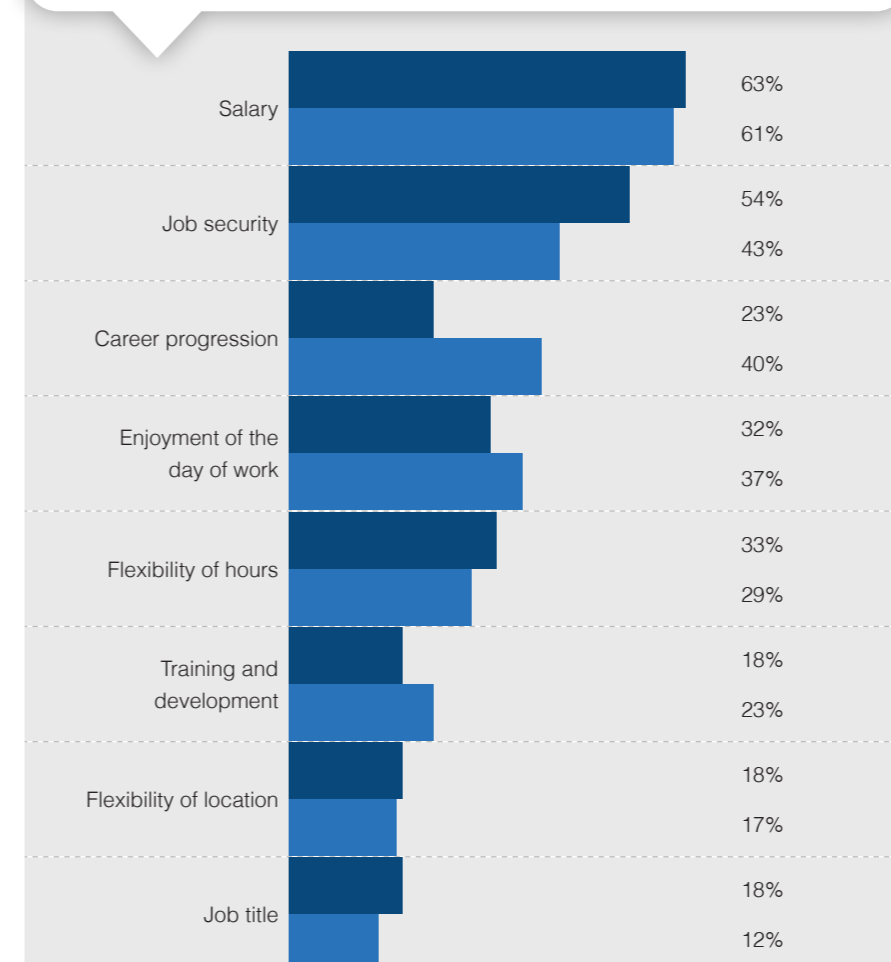
The importance and impact of flexibility

Where offering pay rises or other forms of compensation isn't an option, employers will want to make sure that staff are satisfied in other ways to maintain loyalty and motivation. It's therefore worth noting that career progression opportunities and enjoyment of the day's work have both moved up the rankings of what workers see as important in a job compared to last year. Interestingly, flexibility of working hours has been displaced from last year's position in the top three most important factors in a job.

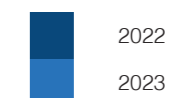


How much does flexibility matter?

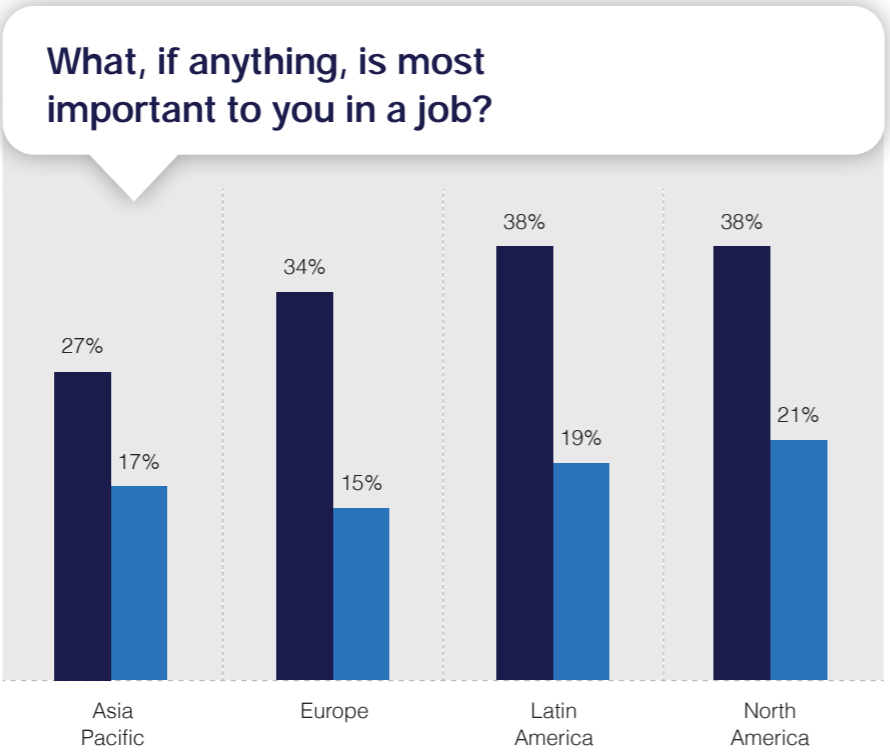
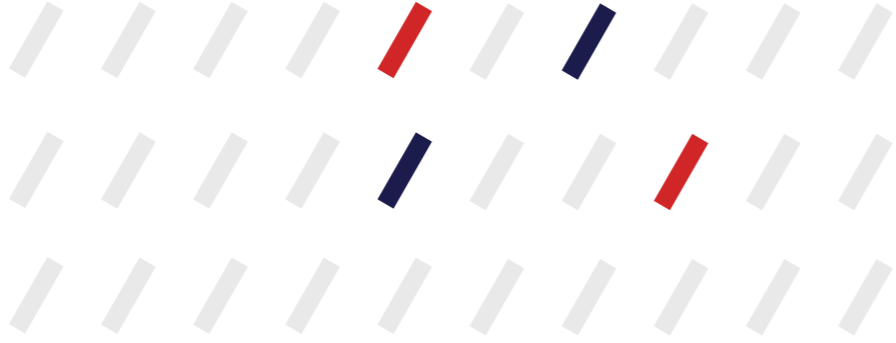
What, if anything, is most important to you in a job?



Key



Other concerns may be more acute in the current climate, but nonetheless, it's important to understand how different types of workers feel now about flexibility, given the radical changes to workplace norms that have taken place in the past few years. Issues like how much choice workers are getting and how this is affecting those who cannot work remotely or adjust when they work still matter. As do workers' expectations around gaining more control over their working arrangements as they look ahead.

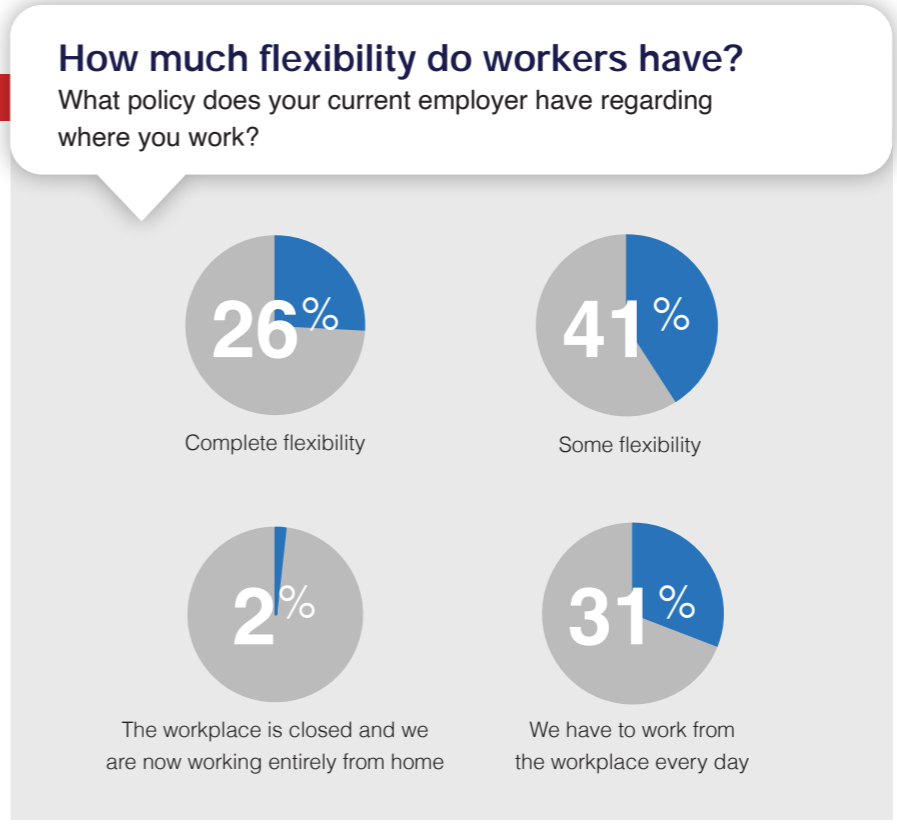


Key

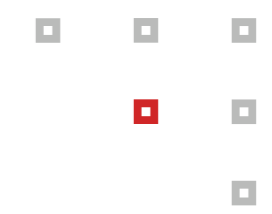
- Flexibility of hours
- Flexibility of location



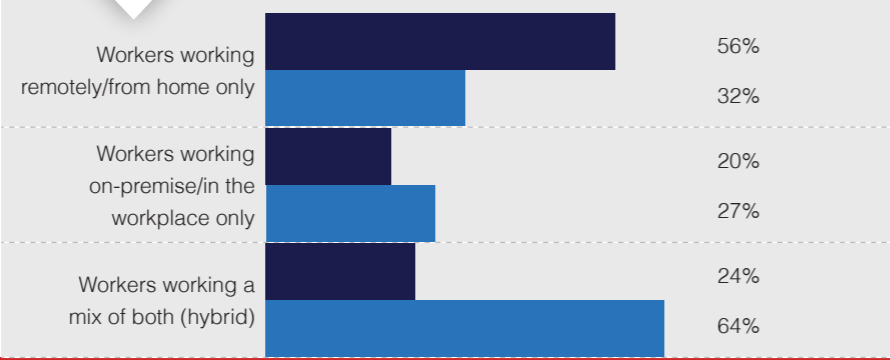
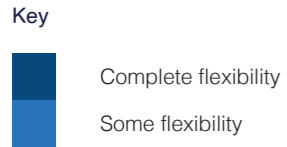
This may not be particularly surprising, but it does highlight a significant challenge that employers whose staff have to be present in the workplace at all times (31% of the total workforce) must address. Some of those who work on-premise all the time choose to do so, but more than half (53%) have no choice but to come into the workplace. For those workers who have no choice, consider whether there are ways to accommodate the work-life balance or mitigate issues such as commuting time and costs. Staff would probably appreciate employers at least starting a dialogue about these issues. Those who work on-premises are also less likely to feel empowered to take advantage of flexible working arrangements (62%). That compares with 73% of hybrid workers and 71% of remote-only workers. Employers may want to think about why this is and how they can bring about positive change on this issue.



When asked about the most important factors in a job, almost three in 10 respondents (29%) said that flexibility in their hours was a key issue, and more than one in six (17%) said that flexibility of where they worked mattered. Workers in North America and Latin America feel most strongly about this. Perhaps due to ‘getting the best of both worlds’, hybrid workers who spend part of their week at their workplace and part working from home are the most satisfied with flexibility of hours (60%) and location (62%) they have in their job. Those who work solely on-premise are the least happy with the amount of flexibility they have (50% for hours and 47% for location), while remote-only workers are in the middle with 54% and 59% respectively.



What policy does your current employer have regarding where you work?



Implications for the gig economy

Before the COVID-19 pandemic brought flexible and remote working into the mainstream, working in the gig economy was one of the few alternative options to a permanent position available to workers seeking greater autonomy over their working lives. However, freedom from fixed hours and being tied to one employer often came at the cost of greater uncertainty over earnings potential and instability in working patterns. Now that many more workers have greater flexibility thanks to remote or hybrid working, coupled with the relative security of traditional employment, there are perhaps fewer reasons for workers to consider undertaking gig (or contract) work.

Only one in 12 workers (8%) say they've considered changing to gig work in the past 12 months, suggesting that there's little attraction or incentive for them to do so in the current environment. Interestingly however, almost double the proportion of remote workers have thought about becoming gig workers than their colleagues who mix working remotely and on-premise, or those who work only in the workplace (14% versus 7% apiece).

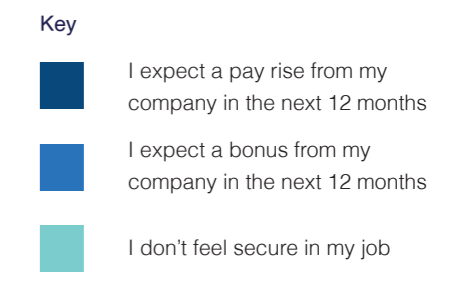
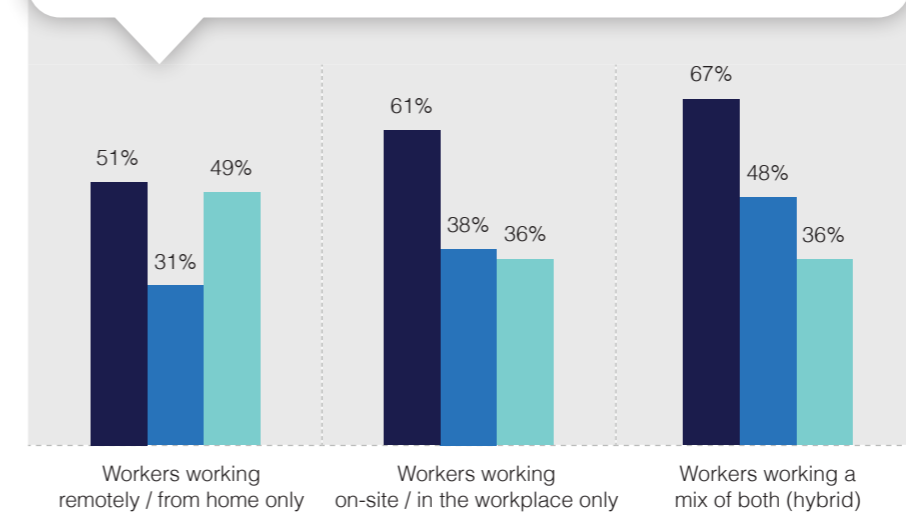
There could be many reasons for this. On one hand, having tasted greater flexibility in recent years than they ever had before, remote workers may feel that they want even more control over the work they do and how they do it. On the other, frustration might be playing a part. Those working completely remotely enjoy a lot of flexibility, but the picture is less positive in other areas. For example, they're far less likely to expect a pay rise or bonus from their employer in the next year. Their sense of job security is also weaker than it is for their colleagues who go into the workplace regularly.



Workers' horizons are broadening. Freed from the necessity for everyone to live near the workplace, in some types of roles where it's possible to be a 'digital nomad', the concept of remote working is taking on an international perspective. Almost half of workers (48%) say they have already relocated or are considering relocating overseas and still stay working for their existing employer. This is typically because their employer's flexible working policy allows such a move (or workers assume they do), their job doesn't require them to be in a specific location or they've seen others do it. Workers in Asia Pacific are most confident that they can do this (more than half (52%) say so compared to just over a third in other regions), as are men (52% versus 42% of women).

Indeed, nearly three in 10 workers (28%) think that within five years, it will be the norm in their industry to have the ability to work anywhere in the world. Moreover, a third (33%) believe that workers in their sector will get full flexibility over their hours within this time (provided they get their jobs done, based on productivity and results metrics) and 28% anticipate a move to a four-day working week.

The downsides of remote working

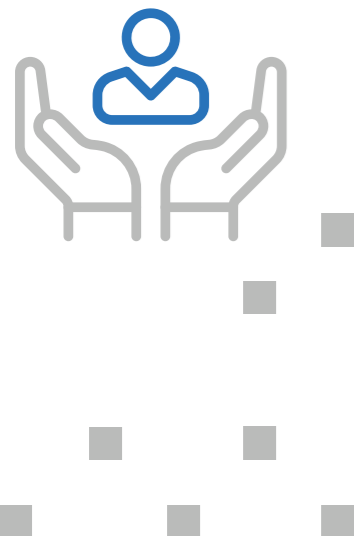


Part-time workers are more inclined than their full-time counterparts to have considered gig work – in fact one in 10 (10%) have done so. However, working life can be tough on contract workers. For instance, 55% say they would consider doing unpaid hours to help secure their position, compared to 37% of directly employed workers. Already, they estimate they're giving away two hours more of working time for free each week than their traditionally employed colleagues (nine hours 28 minutes versus seven hours 37 minutes). Given that many gig workers are paid by the hour or on a day rate, this suggests that they may be sacrificing their own profit margins in a bid to deliver excellent value for money to companies they work for and safeguard their contracts.

A caring workplace culture

A supportive, inclusive and empowering workplace culture is essential to attracting and retaining talent and driving productivity by ensuring that workers are satisfied in their jobs, engaged with their companies and looked after as people. Though there's no one-size-fits-all solution, businesses can learn a lot from what others are doing to show that they value their staff, care about their wellbeing and understand the challenges they may be facing in their work and personal lives.

Recognising the cost-of-living pressures that many people are under, almost two-thirds (63%) of workers say their employer provides advice on financial wellbeing – maintaining a trend that we saw established during the pandemic. However, employers in Asia Pacific are far more attuned to the need to tackle this issue than their peers in other regions, with nearly seven in 10 (69%) workers there stating that financial wellbeing advice is provided, against around half in North America (53%) and Latin America (46%) and just under four in 10 (39%) in Europe.

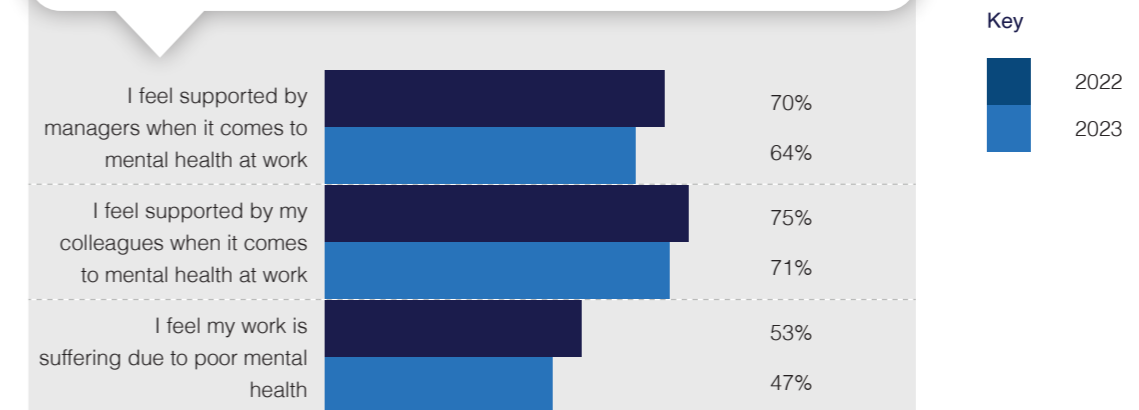


Physical and mental wellbeing of staff remain acute issues too. Encouragingly, most people feel able to have open conversations about their physical (68%) and mental health (64%) at work. And while the majority feel supported by managers and colleagues when it comes to mental health at work, the proportion of respondents who say this is the case is lower this year than last on both fronts.

On the plus side, fewer report that their work is suffering due to poor mental health than said so last year – yet the proportion remains high, at just under half (highest in Asia Pacific). Stress levels have eased slightly too, with 63% of people experiencing stress at least once a week, down from 68% last year, although nearly two-thirds (65%) say stress adversely affects their work (again, highest in Asia Pacific, along with Latin America).



Mental health: still a concern?



Employers would do well to remain vigilant and maintain the high levels of support that many put in place in recent years to ease the burden on staff. A comparison with last year's data shows some variations in the mental health solutions companies are trying, suggesting that approaches remain under review as employers work out what types of support work best in their organisations, circumstances change, or as best practice becomes established across industries.



Changing approaches to supporting mental wellbeing

What, if anything, is your employer doing to help promote positive mental health at work?

	2022	2023
Team building/bonding activities	24%	27%
Stress management breaks (e.g. Zen room, wellbeing activities, meditation class, midday break)	30%	27%
Wellbeing days off	31%	26%
Checking in/communicating with me more	33%	23%
Employee Assistance Program	17%	22%
Inclusive culture	12%	20%
Special counselling	25%	18%
Workplace non-discrimination policies for mental health conditions	15%	18%
Right to disconnect from messages after working hours	22%	18%
Employer-provided insurance coverage for mental health care	16%	18%
Four-day work week	8%	15%
24/7 Help Line	12%	13%
No-meeting days	15%	12%
My employer isn't doing anything to help promote positive mental health at work	12%	14%

The proportion of workers reporting that their employer checks in with them more, provides wellbeing days off, offers special counselling services or allows stress management breaks has declined, perhaps because these initiatives are no longer deemed necessary. Meanwhile, team building activities, offering employee assistance programmes and the idea of implementing a four-day working week are gaining traction as mental health-boosting initiatives.

Notably, one in five (20%) of workers say that creating an inclusive workplace culture is a key plank of their employer's support for positive mental health, up from one in eight in 2022.

Amid all these innovative and well-intentioned tactics, employers should not overlook the importance of educating managers and staff generally about mental health issues and training them on how best to support co-workers whose mental health is suffering. One key problem identified by the study is that 57% of workers don't think their managers or colleagues are equipped

to talk about mental health issues without judgement. Women are more likely to feel that this is the case than men (61% versus 53%), as are younger workers (56% of 18-24-year-olds, 61% of 25-34s and 57% of 35-44s, compared with 50% of 45-54s and 40% of those aged 55 and over, and workers in Asia Pacific (62% compared to around 44% elsewhere).

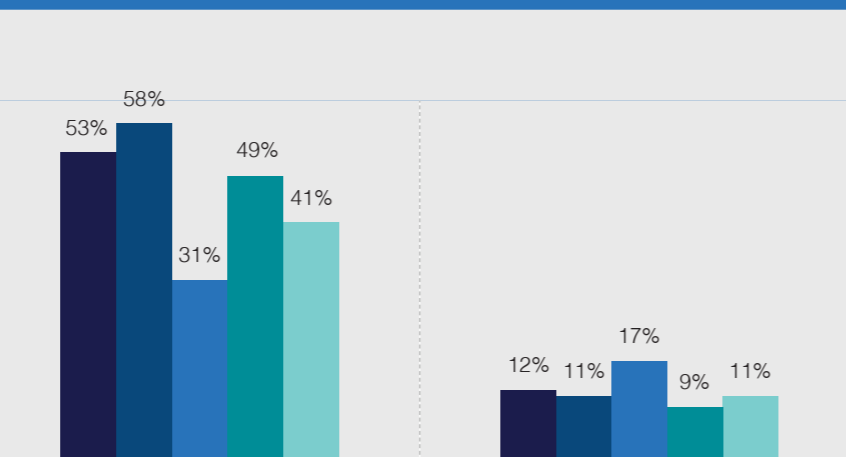
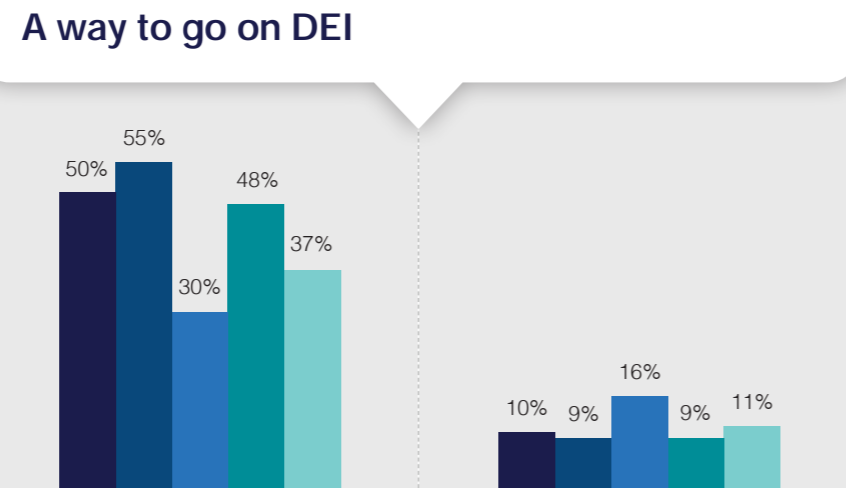
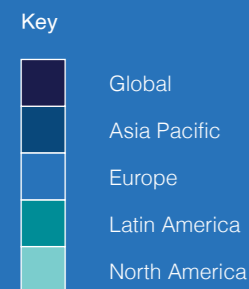
Younger people report being more stressed at work (Gen Z feel stressed 13 times per month on average compared to 10 times for all workers) and they're by far the most likely to feel their work is suffering due to poor mental health (54%) and stress (80%). However intriguingly, they're least likely to say that their employer is doing nothing to support mental health at work (8% versus 35% of over 55s). Employers will want to make sure that any efforts they undertake on this front are effective at tackling the problem.

DEI: room for improvement?

Last year's research reinforced just how important diversity, equity and inclusion (DEI) is to workers – so much so that it affects many people's decisions to join or stay with an employer. One year on, progress continues to be made. Large companies appear to be outperforming smaller ones: for example, more than half (53%) of workers at the biggest corporates have seen improvement on gender pay equality in the past three years, compared to around four in 10 at the smallest companies. Organisations with between 500-1000 employees have improved the most. This may be because they're small enough to understand their workforce profile and needs more easily than larger entities, but big enough to

have the resources to implement the measures necessary to make a difference. Whatever the reason, they're the ones to watch and learn from.

The finance and IT/telecommunications sectors are setting the standard for improvement (with more than six in 10 respectively saying DEI has got better), while workers in the construction industry are most inclined to say their company's DEI status has got worse (a fifth). Men and women are broadly in agreement about companies' DEI performance. Sadly, Europe remains a laggard compared to other regions. If European companies want to compete for internationally mobile talent, that must change.



I think my company is better at Diversity & Inclusion compared to 3 years ago

Asia Pacific	Australia	42%
	China	57%
	India	59%
	Singapore	35%
Europe	France	33%
	Germany	28%
	Italy	27%
	Netherlands	31%
	Poland	30%
	Spain	37%
	Switzerland	41%
Latin America	UK	33%
	Argentina	41%
	Brazil	51%
North America	Chile	44%
	Canada	37%
	USA	41%

This tallies with the order in which workers rate the effectiveness of DEI initiatives, with staff training at the top of their list. However, one in seven (14%) workers report that their company doesn't participate in any DEI initiatives (highest in Europe at 30%, compared to just 9% in Asia Pacific).

The most common initiatives for improving DEI according to respondents are:

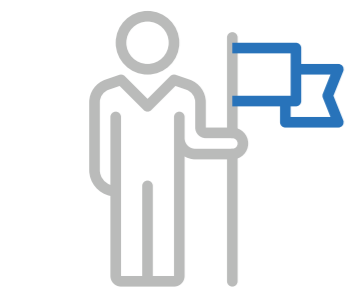


Companies that fail to do so run the risk of being asked difficult questions about why not – both from existing and prospective staff as well as other stakeholders such as customers, shareholders and the media. If workers are simply unaware of their employers' DEI initiatives, then it makes sense to make them more visible, get people more involved and celebrate them more loudly. But if DEI is not even on the programme, then it's time for action, or face a serious threat to company reputation, as well as to talent acquisition and retention prospects.

Feelings about the future

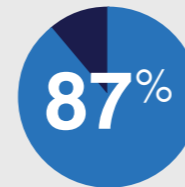
The future looks uncertain. Workers have suffered a series of shocks in recent years and more turbulent times may be in store, with the possibility of a global recession, ongoing geopolitical conflicts, the lingering shadow of COVID-19, and the as-yet unquantified impact (positive or negative) of artificial intelligence (AI) and greater automation of jobs. Survey responses illuminate how equipped workers feel for what lies ahead in terms of investment in their skills and career progression prospects. It also reveals how secure they feel in their job or industry and what changes they're considering to 'future-proof' their careers (i.e., to protect themselves against changes that might adversely affect their prospects), with interesting ramifications depending on generational perspectives.

Overall, workers' sense of satisfaction with their current employment and their optimism about the next five years in the workplace remain high. Nine in 10 workers (90%) say they're satisfied in their jobs, with those in Asia Pacific the most positive (91%) and those in Europe the least (87%). Similarly, 87% of respondents report feeling optimistic about the future, and again, Asia Pacific and Europe bookend these feelings with 89% and 76% respectively feeling upbeat – an analogous pattern to what we have seen in previous years. And despite all the challenges they've had to face so early on in their careers, optimism is higher at the younger end of the age spectrum.

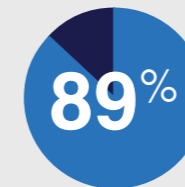


Nine in 10 workers (90%) say they're satisfied in their jobs

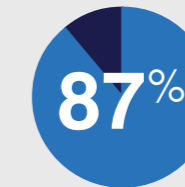
Optimism wanes with age



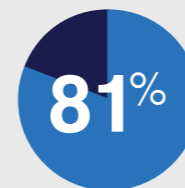
18-24 years old



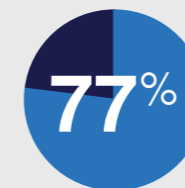
25-34 years old



35-44 years old



45-54 years old



55+ years old



87% of respondents report feeling optimistic about the future

Understanding workers' expectations

Which of the following, if any, do you expect to achieve in your current company within the next 12 months?

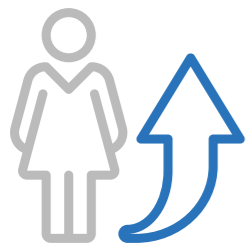
	Global	Asia Pacific	Europe	Latin America	North America
Pay rise	62%	63%	50%	75%	58%
Promotion	44%	50%	19%	39%	30%
Bonus	41%	45%	27%	32%	34%
Increased skills/training	40%	44%	24%	35%	31%
Increased responsibility	31%	33%	24%	25%	33%
Formal review	14%	14%	9%	10%	20%
None of the above	5%	3%	17%	5%	13%
Proposed pay reduction to reflect changing ways of working	5%	6%	3%	2%	5%

My current employer is providing the following to my satisfaction

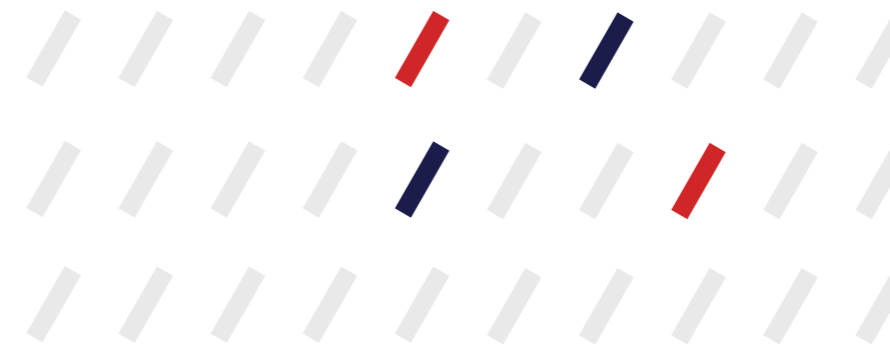
		Training and development	Career progression
Asia Pacific	Australia	50%	45%
	China	61%	58%
	India	55%	50%
	Singapore	44%	38%
Europe	France	41%	35%
	Germany	40%	36%
	Italy	42%	31%
	Netherlands	58%	51%
	Poland	43%	39%
	Spain	39%	37%
	Switzerland	46%	45%
	UK	47%	39%
Latin America	Argentina	38%	36%
	Brazil	50%	46%
	Chile	37%	34%
North America	Canada	47%	40%
	USA	56%	52%

Those working in finance feel most satisfied with their career progression opportunities and the training and development they're given at work: nearly two-thirds (63%) of finance workers say so.

But across many other industries, the proportion is nearer – and sometimes under – half, including in professional services and the media as well as hospitality/leisure, retail, construction and education/healthcare.

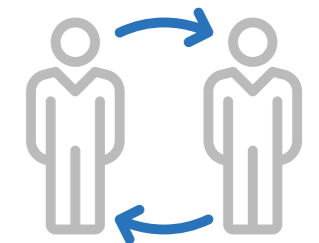


Reassuringly, two-thirds of workers surveyed (66%) say they and their employer talk about career progression and 69% discuss skills and training requirements, and this is highest among younger workers. Additionally, almost eight in 10 (78%) say they have the skills needed to advance their careers to the next level within the next three years and 68% say their employer invests in the skills they need to advance their careers. As workers look to the future, management skills are believed to be most important in their roles, followed by people skills and data analysis skills. However, according to 67%, the skillsets of the future will be comprised of technology skills not yet considered imperative to the job today, requiring both employers and employees to reframe skill development and training to prepare for the years to come.



The key skills of the future

Which skills, if any, do you think will be most important for your role in the next 5 years



Less reassuringly, almost four in 10 workers (38%) don't feel secure in their jobs. Workers in Asia Pacific and Latin America believe they're least secure (39% and 35% respectively feel insecure, compared to 33% in Europe and North America).

Over four in 10 (42%) would consider doing unpaid hours to increase the security of their job, which may prove a stretch, given that many are already going above and beyond by giving away more than a day's worth of 'free' hours every week (as discussed above).

Given these feelings, it's perhaps understandable that requesting a sabbatical from employers has fallen out of favour – only 12% are considering such a move now, compared with 24% last year. It seems that workers today feel the need to be seen to be indispensable.

Six in 10 (60%) would consider relocating for better opportunities and a similar proportion (57%) would think about moving to a different industry sector that's less likely to be impacted by the economic turmoil. Technology/information and education/health are seen as the most 'future-proof' sectors – i.e., growth industries where their skills are likely to be in higher demand long term, and where they see the best career development prospects and future earnings. However, 62% don't think any profession will escape the effects of economic uncertainty.

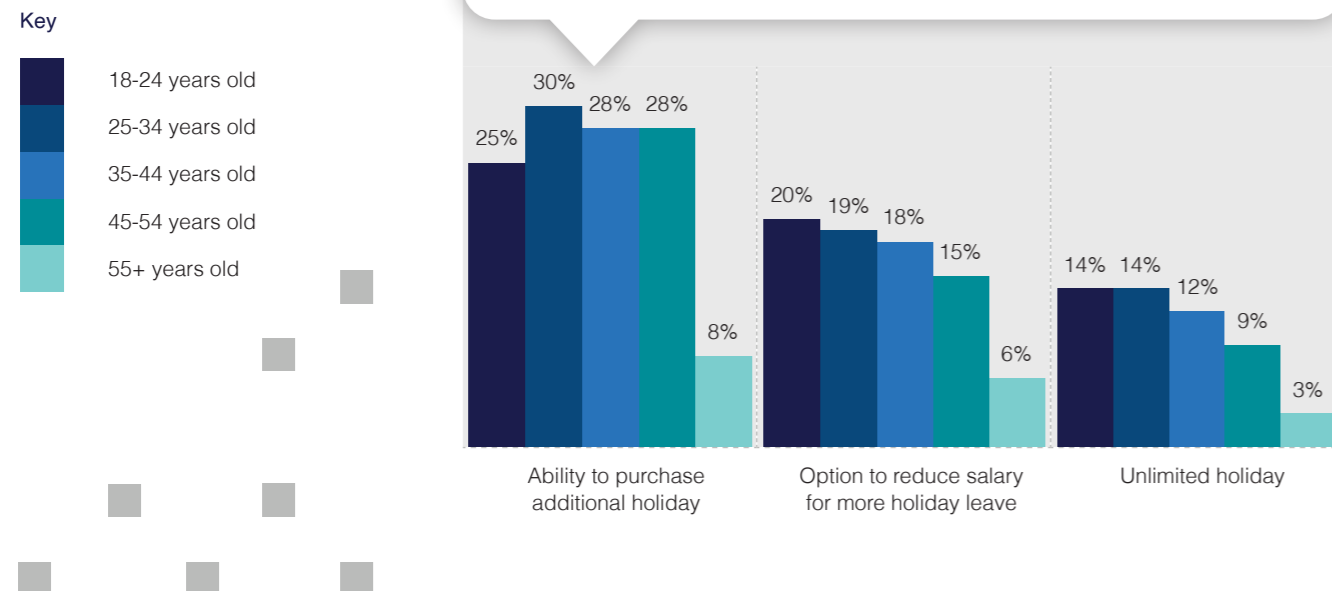
Feelings of job insecurity are highest among Gen Z, where half (50%) say they don't feel secure in their job, double the proportion of over 55s saying the same (24%). Nonetheless, they're resilient and adaptable: one in five (20%) have considered changing industries in the past 12 months. A quarter (25%) have weighed up starting their own business, as have 26% of younger Millennials (aged 25-34). By contrast, just over one in six over 55s (17%) have mulled over early retirement, exacerbating what some are calling the 'grey resignation' that started during the pandemic.



Just as workers are taking innovative approaches to bolster their prospects, some workers are expecting employers to deploy innovative solutions for running the workplace going forward too. Almost one in four workers (23%) think that the use of AI as a matter of course over the next five years will reduce manual tasks in their industry.

Options on time away from work are also expected to increase. More than a quarter (27%) think that in the next five years it will become the norm to purchase additional holiday allowance. More than one in six (18%) think that it will become normal practice to reduce their salary in return for more annual leave, while one in eight (12%) foresee unlimited holiday entitlement becoming commonplace. Expectations on this front tend to be (but are not always) highest among younger workers, suggesting that another revolution in accepted workplace norms is on the horizon. Employers who are ahead of the game and who handle such changes carefully could reap rewards in terms of productivity, employee wellbeing and morale.

A revolution in holiday entitlement?



Conclusion

Workplace dynamics are beginning to solidify after three years of pandemic driven disruptions. The list of what workers want remains largely consistent, with pay, flexibility, positive workplace culture and good career prospects as top priorities alongside job security and enjoyment of their work. However, the interplay between all these different factors is in flux. Employers should not underestimate giving workers greater control and support to fulfil their potential, enhancing their motivation and dedication to their jobs.

Being open-minded and creative about how to meet employees' needs – other than increasing their pay – should be win-win for employers and workers alike. The basics still matter as workers are again citing the importance of career progression and enjoyment along with compensation and job security. Along with these fundamental worker priorities, forward-thinking senior managers and HR departments will want to find ways to safeguard workers' financial health while bolstering their professional pride, looking after their emotional wellbeing and enabling them to have a good work-life balance.

Intentional and multi-faceted worker engagement and investment is a key component in unlocking increased productivity and profitability. Clearly, this is no easy task, but employers that understand the worker mindset as it is today and as it continues to evolve can better navigate the complexity of the workplace both now and in the future, to appeal to top talent and drive business success forward.

People at Work 2023: A Workforce View in Europe

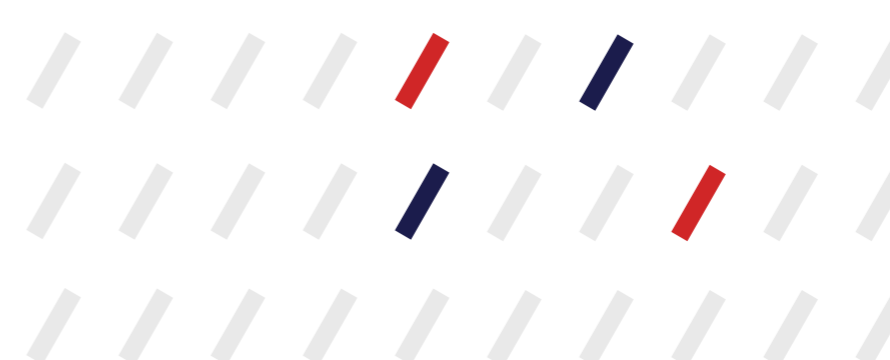
Introduction

Comparing different views and experiences among European workers across France, Germany, Italy, the Netherlands, Poland, Spain, Switzerland and the UK is instructive for employers in a region where competition for talent is high and it's relatively easy to choose to work in another country. Although worker rights are generally well established in Europe, the findings suggest that in some respects, there could be something to learn from other innovative economies on the world stage.

Pay and compensation: how much is enough?

Europe struggled to keep pace with other regions in terms of the level of pay rises awarded last year, and the trend looks set to continue in 2023. Polish and Swiss workers enjoyed the highest pay awards in the region in 2022, far outstripping rises in Spain, which had the lowest. Looking ahead to the next 12 months, a similar pattern emerges with a double-digit (10%) uplift expected by workers in Poland. Hopes for pay rises are also relatively high in Switzerland (7%), Italy (6.3%) and Germany (6.1%), compared to France (5.6%), the UK (5.6%), Spain (5.4%) and the Netherlands (5.3%).

If pay rises are not forthcoming, then the next most palatable option for workers in most European countries is a one-off bonus. However, the Italians and British would like a one-off payment to help with the cost of living, the Spanish would prefer shorter working weeks and the Swiss would opt for additional paid annual leave. Workers in the UK and Spain are least likely to be happy with anything other than a pay increase.



If you didn't receive a salary increase, what else, if anything, would you be happy with?

	France	Germany	Italy	Netherlands	Poland	Spain	Switzerland	UK
One-off bonus (e.g. holiday/merit bonus)	43%	40%	35%	45%	49%	24%	30%	36%
Additional days of annual leave/paid time off	32%	36%	28%	42%	31%	33%	32%	34%
Grocery/shopping vouchers	36%	31%	38%	22%	37%	20%	26%	32%
Shorter work weeks	25%	32%	25%	26%	31%	34%	31%	29%
One-off payment to help with cost of living	25%	34%	38%	33%	29%	22%	27%	36%
Travel vouchers	37%	13%	18%	12%	19%	12%	22%	15%
Increasing pay frequency	11%	16%	12%	15%	14%	13%	21%	16%
Educational assistance	7%	15%	8%	17%	12%	9%	22%	9%
Gym membership	10%	12%	10%	16%	16%	9%	24%	14%
Childcare vouchers/subsidy	15%	15%	8%	10%	16%	9%	19%	11%
Sabbatical	7%	7%	9%	9%	8%	11%	19%	9%
I would not be happy with anything but a salary increase	9%	8%	8%	11%	9%	16%	4%	15%

Given that pay is a top priority for so many workers (62% region-wide say it's the most important factor in a job), it's concerning that six in 10 workers in Germany, and Switzerland (60% apiece) say they're always, often or sometimes underpaid. This is twice the proportion that say so in the Netherlands (30%) or Poland (31%). It begs the question: why?

The importance and impact of flexibility

Overall, being expected to come into the workplace every day remains the norm for just over four in 10 (41%) Europeans, but almost as many (37%) have some flexibility over where they work and one in five (20%) have complete flexibility to choose their work location. The Swiss have the most flexibility on this front – under 1 in 5 (18%) say they have to be in the workplace at all times, compared to 47% in Poland. Perhaps because of this, nearly six in 10 Swiss workers (58%) think they could relocate overseas while still working for their current employer, whereas in most of the other European countries studied, the proportion who say so hovers at around a third.

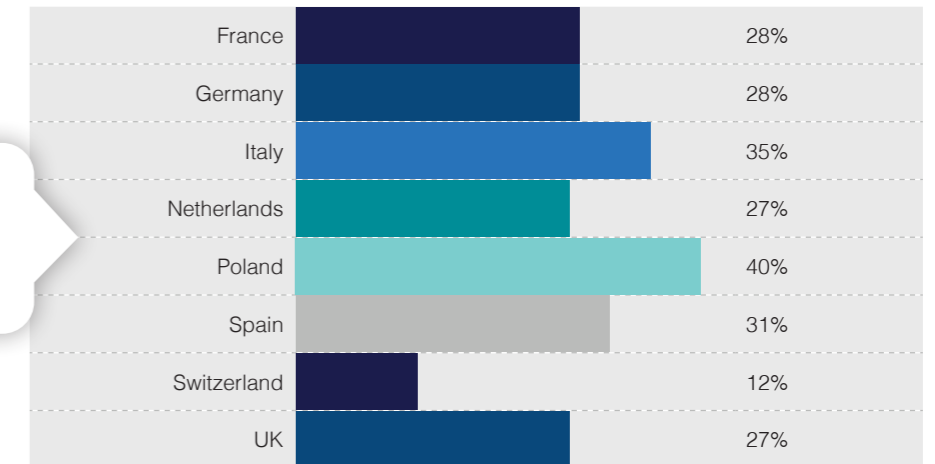
Interestingly, (and perhaps due, in part, to the findings above) the lure of the gig economy is strongest for Swiss workers, 22% of whom have considered moving into gig work in the past 12 months. This compares to 10% in Germany (which has the next highest proportion who have considered it), and just 7% in Poland and France (which have the lowest).

A caring workplace culture

Generally, less than half of European workers feel supported by their managers when it comes to mental health at work, with those in Switzerland getting the most support (62%) and workers in Italy the least (43%). Even so, Swiss workers are particularly prone to feel that their work is being adversely affected by their mental health or by stress. Workers in Germany are experiencing the most frequent instances of stress, suffering with it on average 14 times a week, nearly double that of their peers in the Netherlands, where the average is seven times per week.

Italy, Germany and Poland are lagging on diversity and inclusion, with only around three in 10 workers there saying their employer has improved in the last three years. Two in five (40%) say their company doesn't participate in any DEI initiatives, compared to just one in eight in Switzerland.

We don't participate in any DEI initiatives



Feelings about the future

There are some stark national differences around workers' expectations of a promotion in the next 12 months. Only 12% of workers in Poland and 16% in France anticipate one. This rises to 19% in Italy and the UK, 20% in Germany, 21% in the Netherlands, 24% in Spain and 37% in Switzerland. Intriguingly, at the same time feelings of job insecurity are highest among the Swiss. Almost half (48%) say they don't feel secure in their job, as do 38% of French workers, whereas only 25% of Dutch workers and 28% of Germans say the same.

When it comes to the kinds of skills deemed likely to be important in workers' roles in the next five years, people skills and management skills top most Europeans' lists. But for Poles, foreign language skills will matter most (39%), and in Spain, empathy skills will be key (33%). Italians also rate empathy particularly highly (it's second on their list after people skills, with 25% saying it's important). Workers in France and Italy place the least emphasis on coding skills of any European country studied, with just one in 11 (9%) of workers in both nations saying this kind of expertise will be important in their roles. Overall, cross-cultural or international relations skills are given the lowest prominence – especially by British workers of whom just 9% rate these as important to their jobs.

Summary

Europe enjoys an enviable status as an attractive continent to work in, although in some key respects such as pay rises and DEI, employers are less generous or progressive than other regions of the world. European businesses may need to think hard about how to address this as they compete for top international talent and ensure that their workforce remains satisfied and driven.

About the Institute

The mission of the ADP Research Institute is to generate data driven discoveries about the world of work and derive reliable economic indicators from these insights. We offer these findings to the world as our unique contribution to making the world of work better and more productive, and to bring greater awareness to the economy at large. For more information, visit ADPRI.org.

About ADP (NASDAQ – ADP)

Designing better ways to work through cutting-edge products, premium services and exceptional experiences that enable people to reach their full potential. HR, Talent, Time and Payroll. Informed by data and designed for people. For more information visit uk.adp.com

ADP, the ADP logo and the ADP Research Institute are trademarks of ADP, Inc.
All other marks are the property of their respective owners.
Copyright © 2023 ADP, Inc.

RW1071-060423-GLB | 04/2023