



April 2022

# Nationwide Agency Forward

## The Future of Work

# METHODOLOGY

Audience	Sample Size	Methodology	Timing
<b>Small Business Owners</b> <ul style="list-style-type: none"> <li>• Business owner of a company with 1-50 employees and less than \$10M in revenue</li> <li>• Primary role operates in a white-collar or corporate setting</li> </ul>	n=399		
<b>Mid-Market Business Owners</b> <ul style="list-style-type: none"> <li>• Business owner of a company with either 51-500 employees or \$10M-\$500M in revenue or 20+ fleet vehicles</li> <li>• Primary role operates in a white-collar or corporate setting</li> </ul>	n=400		
<b>Employees</b> <ul style="list-style-type: none"> <li>• Adults 18+ that are Full or Part- Time employees</li> <li>• Primary role operates in a white-collar or corporate setting</li> <li>• <i>Oversamples:</i> <ul style="list-style-type: none"> <li>• Black Employees (n=200)</li> <li>• Hispanic Employees (n=201)</li> </ul> </li> </ul>	n=1,000	15-minute Online Survey	Survey fielded February 1 <sup>st</sup> – 20 <sup>th</sup> , 2022
<b>Independent Insurance Agents</b> <ul style="list-style-type: none"> <li>• Identify as an independent insurance agent</li> <li>• Mix of principals, producers, and customer service reps</li> </ul>	n=400		

# RESEARCH SUMMARY

## DESPITE SLOWING QUIT RATE, EMPLOYERS MUST CONTINUE TO BE FLEXIBLE, INTENTIONAL ABOUT IN-OFFICE WORK TO RETAIN TALENT BUT ALSO NEED TO HEAR FROM EMPLOYEES ON WHAT DRIVES THEIR EMPLOYMENT ASPIRATIONS

Despite concerns prompted by the Great Resignation, **Nationwide's latest Agency Forward Survey** highlighted that the increase of employee turnover is subsiding. Small and mid-market businesses in the U.S. are actually reporting less turnover as they've provided employees with flexible options for when, where and how they work. But perhaps most interesting, among the top reasons business owners think employees are resigning is to pursue passions, feel burned out or lack a flexible work environment while employees cite better job security, financial incentives and finding a better cultural fit as the primary reasons they'd seek new employment – showing a significant disconnect between management and the workforce, necessitating more dialogue between the two parties to increase the chance of retention.

The survey revealed that over the last 6 months, just 1 in 10 small business owners and 3 in 10 mid-market owners saw increased resignations. And while 19% of small and 52% of mid-market business owners were concerned unveiling their return to the office plans would leave staffing vacancies due to resignations, 62% of employees said they wouldn't consider leaving their job based solely on their employer's RTO decision – citing their newfound flexibility allowing them choose their work environment as a major factor in retention. And for job seekers, 68% of employees said flexibility is a key factor when evaluating a job prospect. In fact, those who did not receive flexibility during the pandemic are 15% more likely to consider leaving than those who did. Still, the survey revealed 31% of business owners will not even consider offering flexibility in how employees work.

With this added flexibility, ***the future of work is already here, and it is not fully-remote***. The survey showed neither workers nor management expect additional shifts in ways of working anytime soon. Only 15% of small and mid-market business owners reported operating remotely, down from 40% in the peak of the pandemic. Further, half of owners (50%) and employees (54%) are working in-person today, up from 35% and 38% at the height of the pandemic.

While in-office work is rebounding from pandemic lows – at least half of both businesses and employees reported operating full-time, in-person – business owners need to remain cognizant of employee workplace preferences. The survey reported a nearly even split amongst employees' work environment preferences between fully in-person (35%), remote (30%), and hybrid (35%). Interestingly, preferences aside, ***employers and employees are generally aligned that in-person work provides the most productivity and company value.***

# KEY FINDINGS: The Future of Work

1

For small and medium businesses, the future of work is already here – and it isn't remote.

In-office work is rebounding from pandemic lows. Just 15% of small and medium business owners report currently operating remotely, down from a high of 40%. Half of owners (50%) and employees (54%) are working in-person today, up from 35% and 38% at the height of the pandemic, respectively. Neither workers nor management expect further shifts in ways of working soon.

2

While employees report a range of preferences for their ideal work environment, they are aligned with management that in-person work provides the most productivity and company value.

Employees are split between a work environment preference of fully in-person (35%), remote (30%), and hybrid (35%). But, 8 in 10 employees and small business owners and 9 in 10 mid-market business owners believe employees are productive working in-person, more than hybrid or remote models.

3

Management concerns about the impact on retention of return to office policies may be overblown as the Great Resignation slows.

In the past six months just 1 in 10 small business owners and 3 in 10 mid-market business owners observed increased resignations, and only 4% of employees reported starting a new position. 62% of employees would *not* consider leaving their job based on their employer's return-to-office decision, despite 19% of small business owners and 52% of mid-market business owners worried they might.

4

To be successful in the future of work management must provide workers continued *flexibility*, approaching how and when work gets done through the lens of employee personalization.

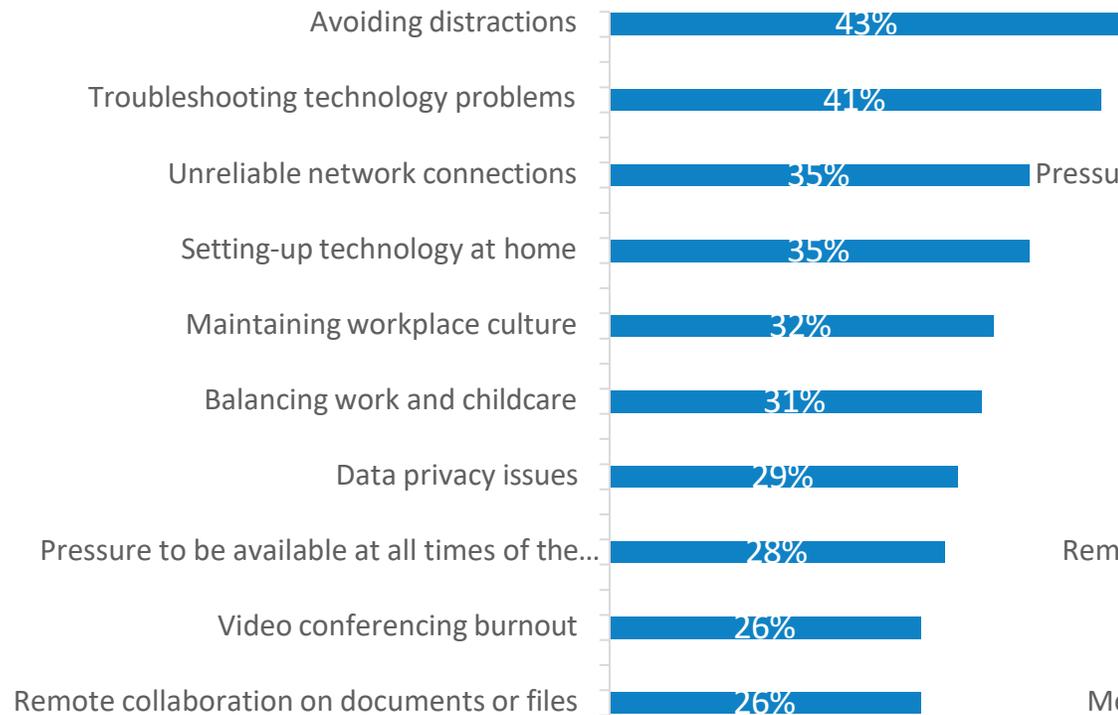
While few workers would leave their position based solely on a return-to-office decision, 68% of employees say flexibility is a key factor they consider when evaluating a job. And those who did not receive flexibility from their employer during the pandemic are 15 percentage points more likely to consider leaving than those who did.

A man in a blue shirt and khaki shorts stands in a modern office, presenting to a group of people seated on a leather sofa. A large screen to the left displays a presentation slide with the word "Proof" and a blue bar. The office has a brick wall, large windows, and a wall with various posters and drawings, including one that says "WIN" and "#CUSTOMER OBSESSED".

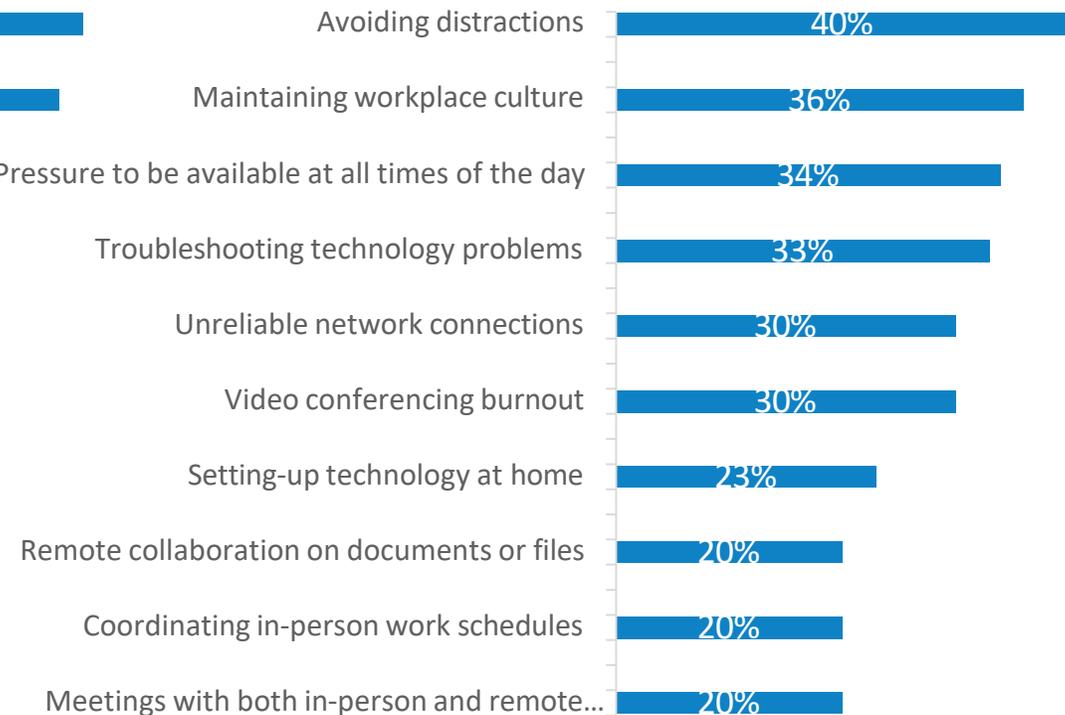
# Executive Summary: The Future of Work

# Pandemic remote work posed a range of productivity, technology and workplace culture challenges

**Top 10 Employee Remote Work Challenges –  
Business Owner Perceptions**  
*(Shown % Select, among those who've had a remote workforce)*



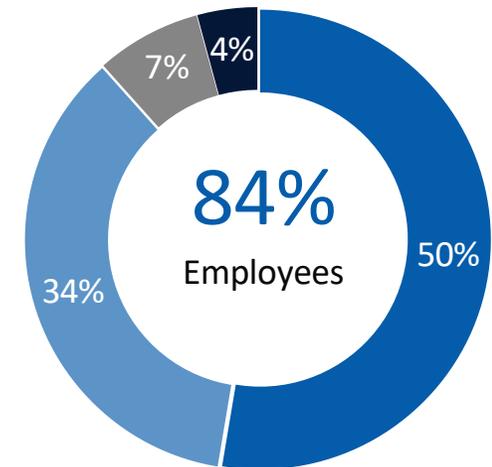
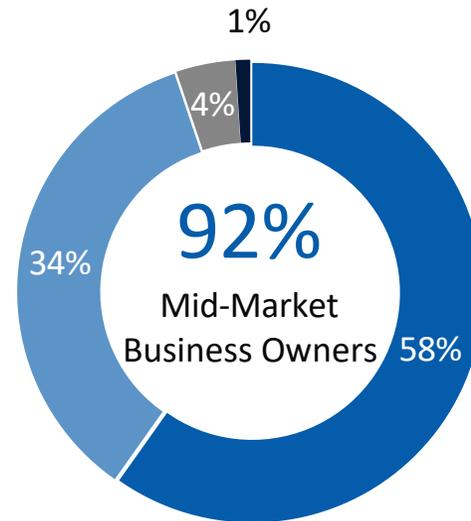
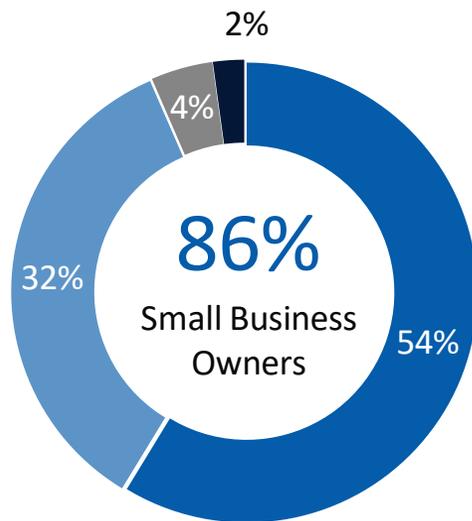
**Top 10 Employee Remote Work Challenges –  
Employee Perceptions**  
*(Shown % Select, among those who've worked remotely)*



Q5. Below is a list of challenges that remote working has presented for some workers. What would you consider to be the five biggest challenges your employees face while working remote? Q32: Below is a list of challenges that remote working has presented for some workers. What would you consider to be the five biggest challenges you face while working remotely? Base: Total business owners who've had a remote workforce (n=547), Employees who've worked remotely (n=645)

# Despite the new challenges forced by the pandemic, both business owners and employees believe their companies successfully adjusted to the new way of working

My company adjusted successfully to the new work environment of the pandemic  
(Shown Top 2 Box Agree)

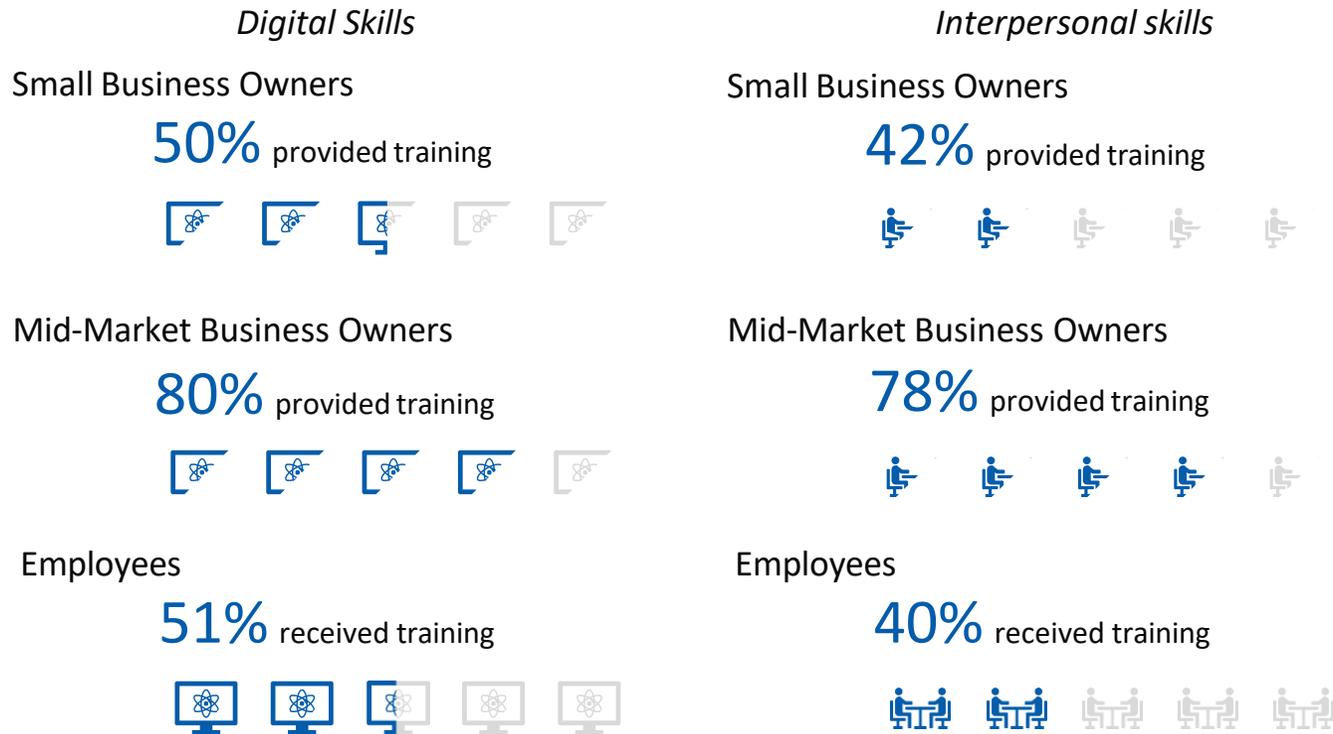


■ Strongly Agree ■ Somewhat Agree ■ Somewhat Disagree ■ Strongly Disagree

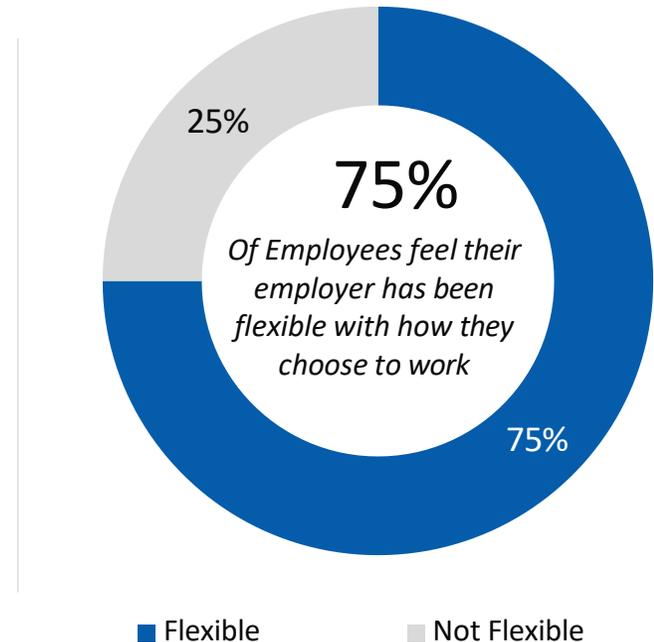
Q12. How much do you agree or disagree with the following statements? Base: Small business owners (n=399), Mid-market business owners (n=400) Q41. How much do you agree or disagree with the following statements? Base: Employee (n=1000)

# And management increased employee work flexibility and provided workers digital and interpersonal trainings

Trainings Offered During the Pandemic  
(Shown % Selected Yes)



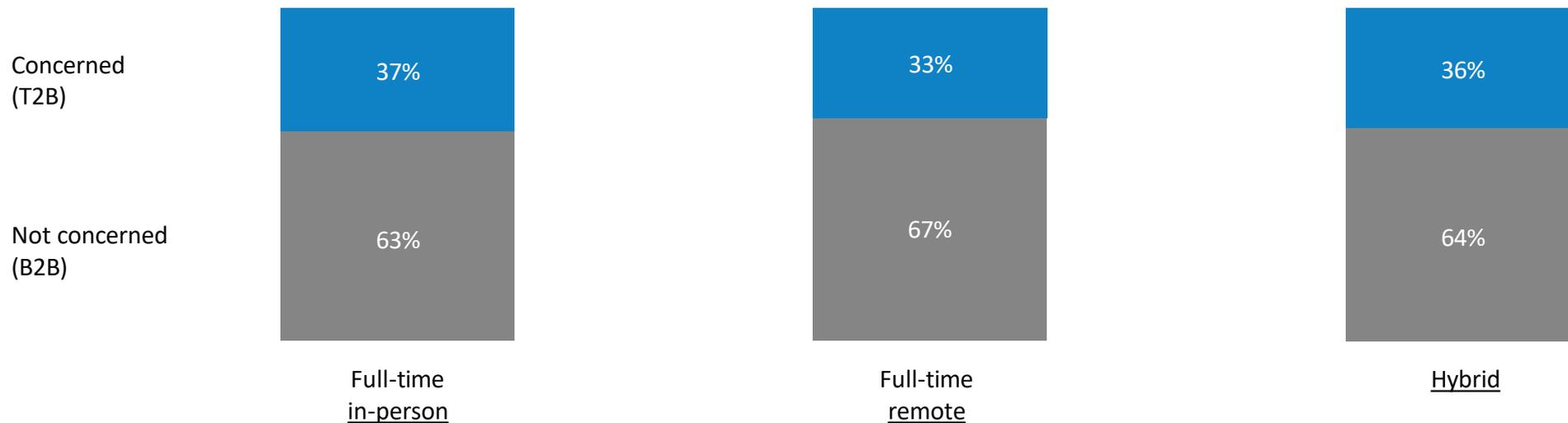
Employer Flexibility During the Pandemic  
(Shown Top 3 Box Flexible)



Q19. Did your company offer any training sessions to employees during the pandemic that focused on digital skills that could help employees work in a remote setting? Examples of digital skills training could be lessons on how to use applications that help employees communicate with each other through instant message or video calls, or how to collaborate on shared documents. Q20. Did your company offer any training sessions to employees during the pandemic that focused on interpersonal or soft skills that could help employees work better in a remote setting? Examples of interpersonal and soft skills trainings could be lessons on how to work independently, how to motivate others, empathy training, active listening tactics, time management and organization skills or emotional intelligence skills. Base: Small business owners (n=399), Mid-market business owners (n=400) Q43. Did your company offer any training sessions to employees during the pandemic that focused on digital skills that could help employees work in a remote setting? Q44. Did your company offer any training sessions to employees during the pandemic that focused on interpersonal or soft skills that could help employees work better in a remote setting? Q27: How flexible has your employer been in providing you with the option of how you want to work? Base: Employees (n=1000)

# As businesses emerge from work from home mandates, 1 in 3 business owners are concerned about their RTO policy and employee retention – consistent across in-person, hybrid, and remote environments

Employee Retention Concern, by Business Work Environment  
(Shown Top 2 Box Concerned, Bottom 2 Box Not Concerned among total business owners operating in each setting)

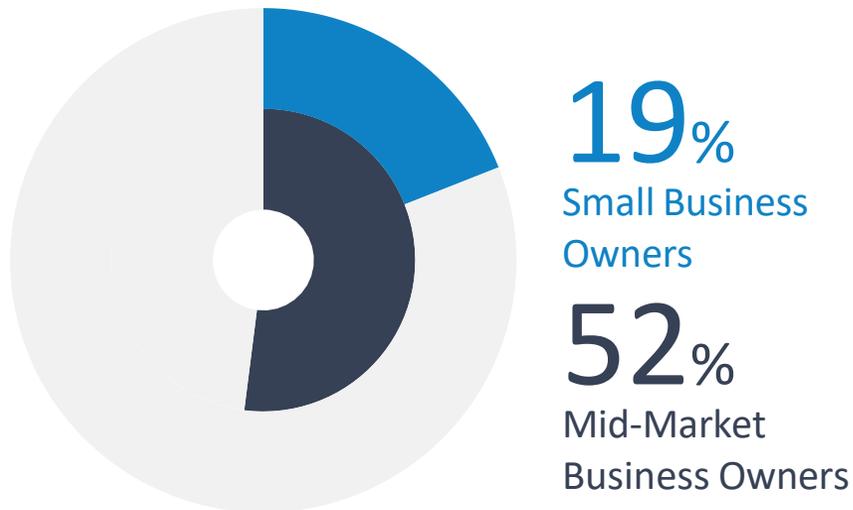


Q3. Based solely on your company's decision to have employees work [PIPE IN RESPONSE FROM Q2], how concerned are you about losing employees because of this decision on where you would like them to work? Base: Total Small and Mid-Market Business Owners who expect employees to work in-person (n=390), Total Small and Mid-Market Business Owners who expect employees to work remote (n=124), Total Small and Mid-Market Business Owners who expect employees to work hybrid (n=286)

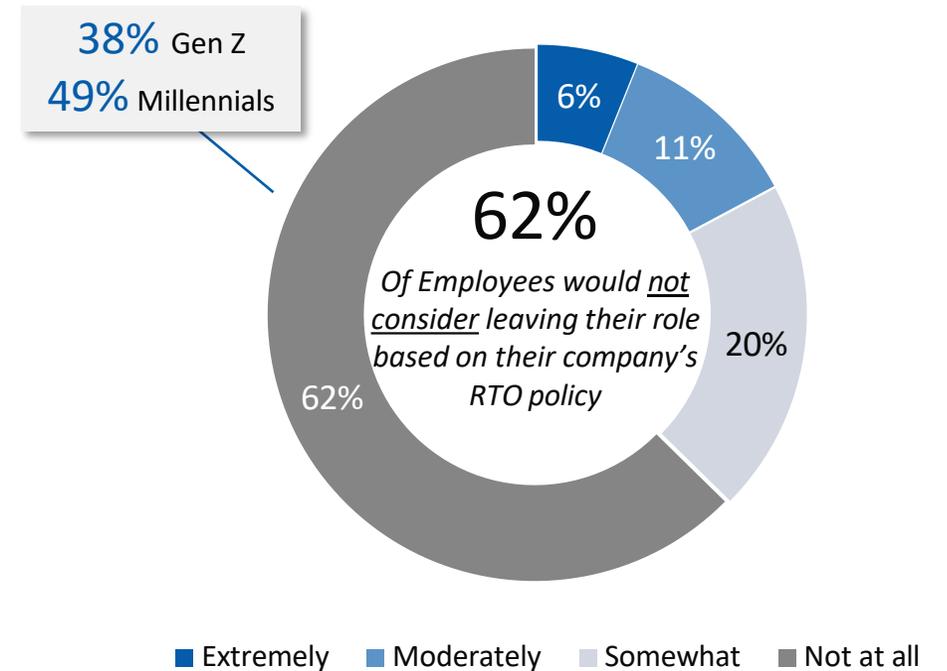
# Mid-market business owners have the biggest employee RTO retention concerns, but few workers would leave their job solely for that reason

Concern is much lower for small business owners.

Management Concern About Employee Retention due to RTO Policy  
(Shown Top 2 Box Agree)



Employee Willingness to Resign due to RTO Policy  
(Shown % Selected)

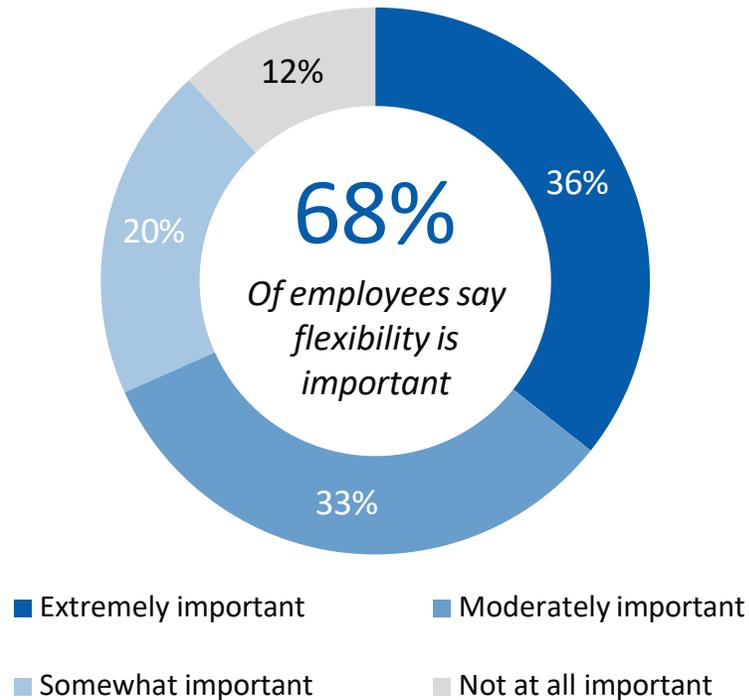


Q3. Based solely on your company's decision to have employees work [PIPE IN RESPONSE FROM Q2], how concerned are you about losing employees because of this decision on where you would like them to work? Base: Total business owners (n=799) Q29: Based solely on your company's decision to have employees work [PIPE IN RESPONSE FROM Q26], how much have you considered leaving your company because of this decision on how they would like you to work? Base: Employees (n=1000)

# Regardless of RTO policy or ways of working, providing employees flexibility is critical for retention

Employees who did not receive flexibility in how and when they worked during the pandemic are 15 percentage points more likely to consider leaving their jobs.

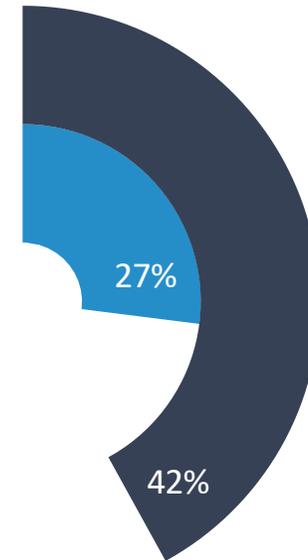
Importance of Flexibility in How & When Employees Work When Evaluating Jobs  
(Shown % Select, Top 2 Important)



Have Considered Leaving Job In Past 6 Months  
(Shown Top 2 Box Agree)

**27%**  
Of employees who received pandemic flexibility considered leaving their job

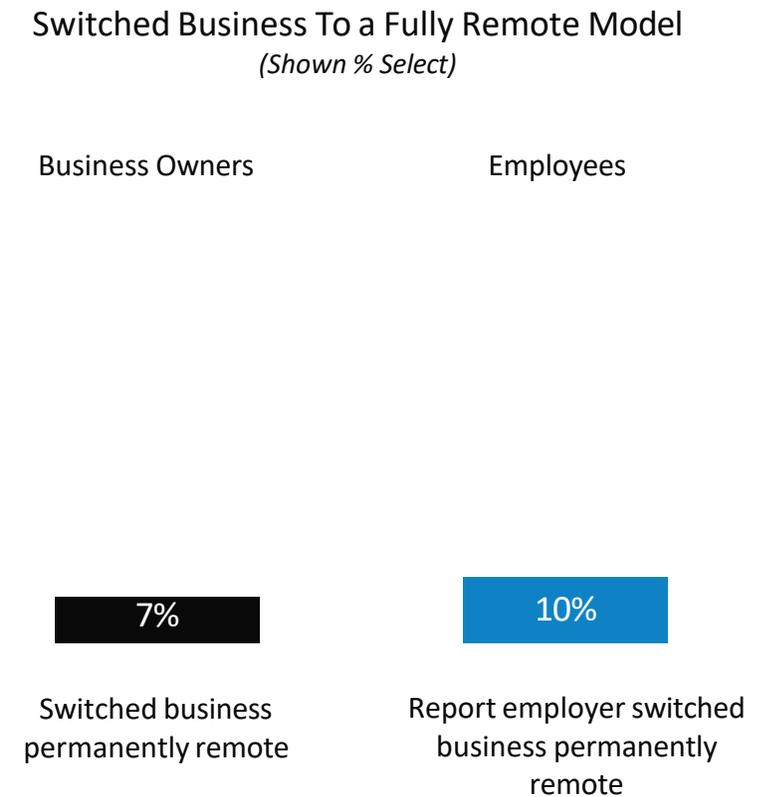
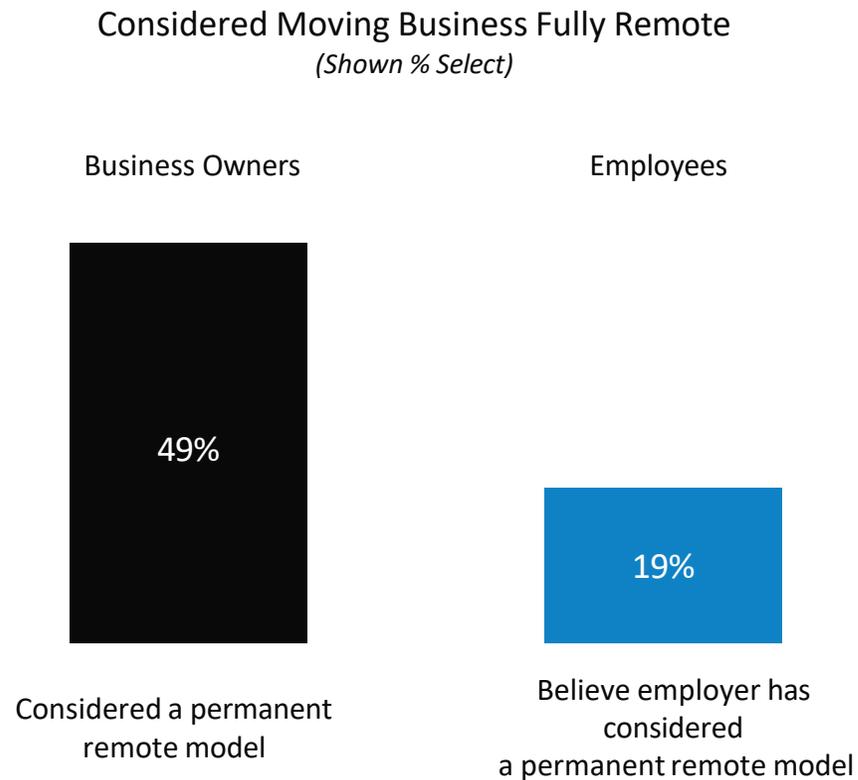
**42%**  
Of employees who did not receive pandemic flexibility considered leaving their job



Flexibility is defined as how employees work (in-person, remote or hybrid) as well as when employees work (choosing their hours)

Q36A. In the past 6 months have you considered leaving a job? Q38. How important are each of the following when evaluating new job opportunities? Base: Employees (n=1000)

# Almost half of small and medium business owners even considered switching their business permanently remote, but less than 1 in 10 ultimately did so



Q2A. Have you switched to a fully remote business model? That is, a business where most employees work from home permanently with no expectation of commuting to a physical office. Base: Total Business Owners (n=799), Small Business Owners (n=399), Mid-Market Business Owners (n=400) Q2B. Have you considered moving your business fully remote? By fully remote, we mean a business where most employees work from home permanently with no expectation of commuting to a physical office. Base: Total Business Owners (n=741), Small Business Owners (n=374), Mid-Market Business Owners (n=367)

# Still, some business owners are not taking steps to offer the flexibility their employees want, instead leaning on professional development to attract and retain talent

Actions Taken by Business Owners To Recruit and Retain Talent  
(Shown % Select)

		TOTAL	Small	Mid-Market
1	Provide employees with opportunities to learn new skills	46%	37%	55%
2	Offer more opportunities for professional advancement	36%	24%	49%
3	Offer flexibility that allows employees to choose how they work	36%	30%	42%
4	Offer flexibility for employees to choose their working hours	36%	32%	40%
5	Provide greater financial incentives	35%	21%	50%
6	Improve employee personal benefits	34%	21%	47%
7	Improve employee medical/retirement benefits	34%	21%	47%
8	Renegotiate employee salaries	32%	19%	44%
9	Offer more paid time off	30%	22%	38%
10	Provide the ability to work from any geographic location	29%	21%	36%
11	Offer more childcare or pet care options	22%	13%	31%

31%

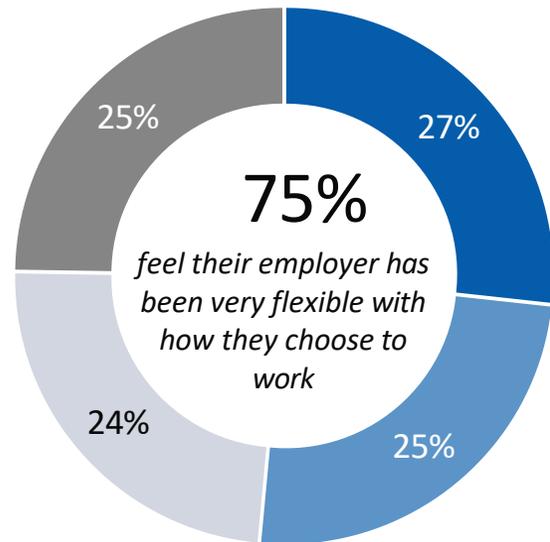
of business owners **will not even consider** offering flexibility in how employees work

Including:

- 50% of those currently operating in-person
- 43% of small business owners

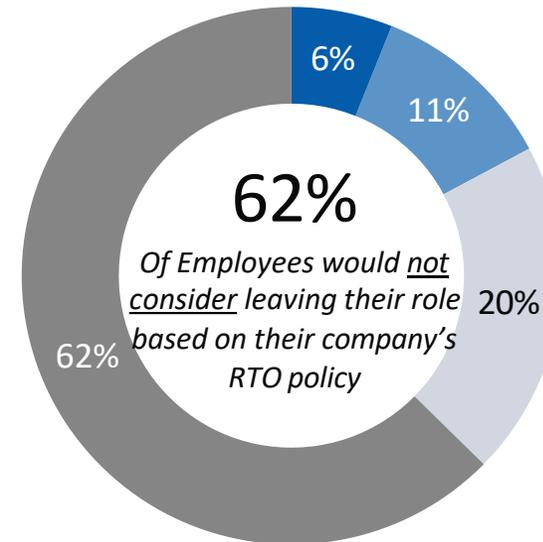
# Employees expect flexibility in choosing how they work – but the majority would not leave their jobs based on where employers require they work

Perceived Employer Work Setting Flexibility  
(Shown % Selected, Top 3 Box Flexible)



- Extremely flexible
- Moderately flexible
- Somewhat flexible
- Not at all flexible

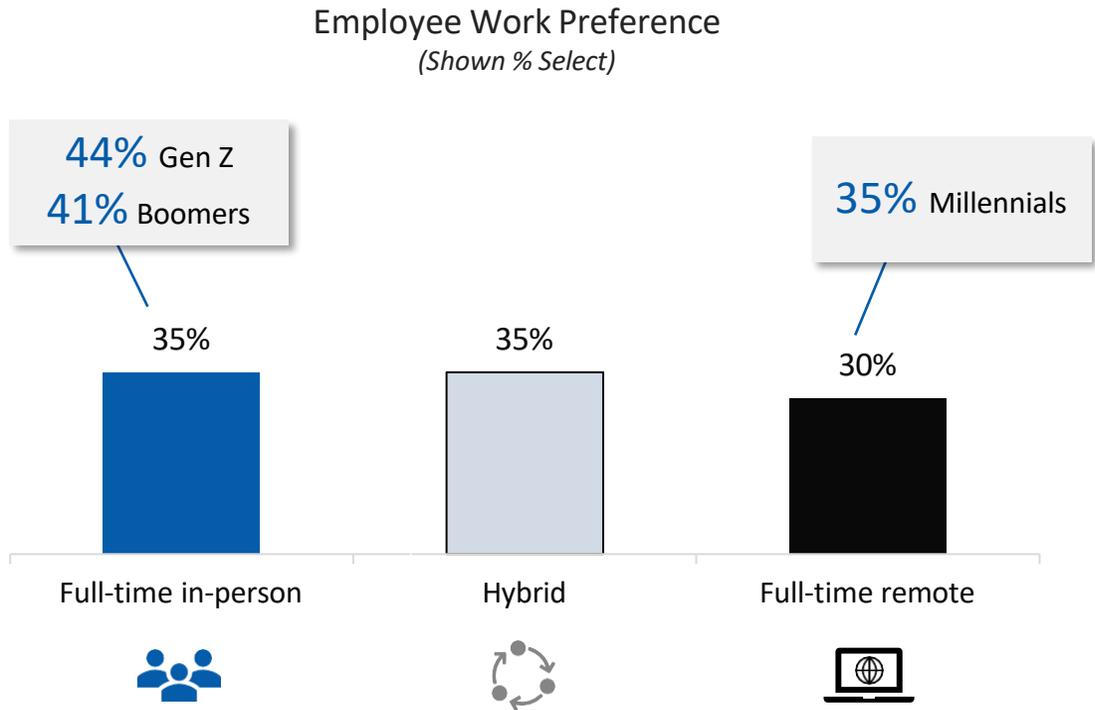
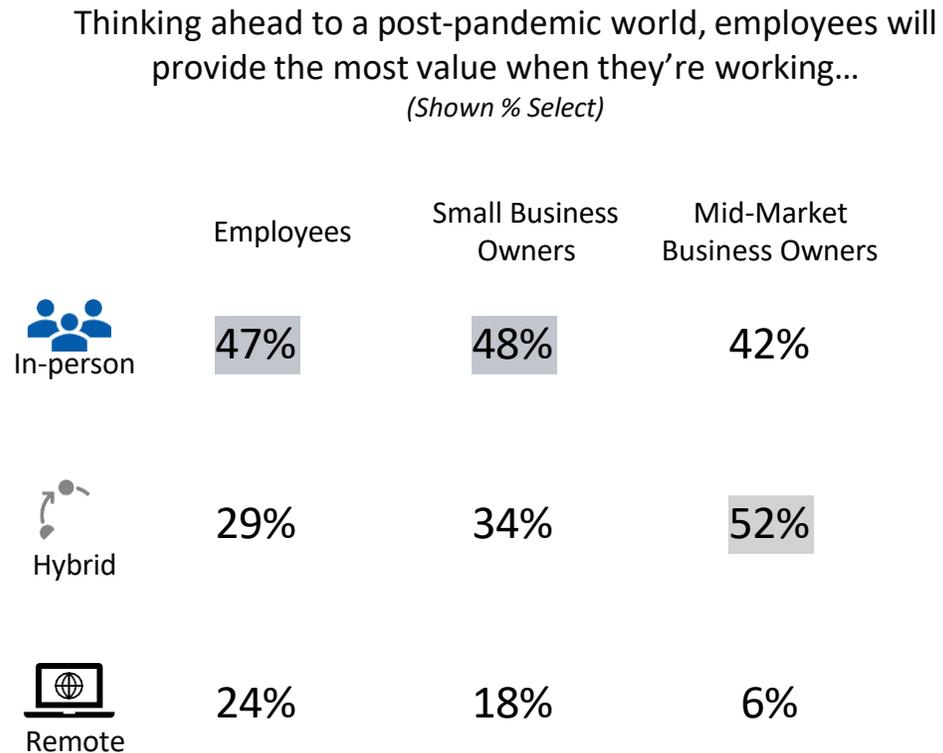
Resignation Consideration Based on Working Environment Decision  
(Shown % Selected, Highly Consider)



- Extremely consider
- Moderately consider
- Somewhat consider
- Not at all consider

# While workers and management largely agree that in-person work brings the most value to the business, employee workstyle preferences are evenly split across models

Mid-market business owners are more open to the value of hybrid work.

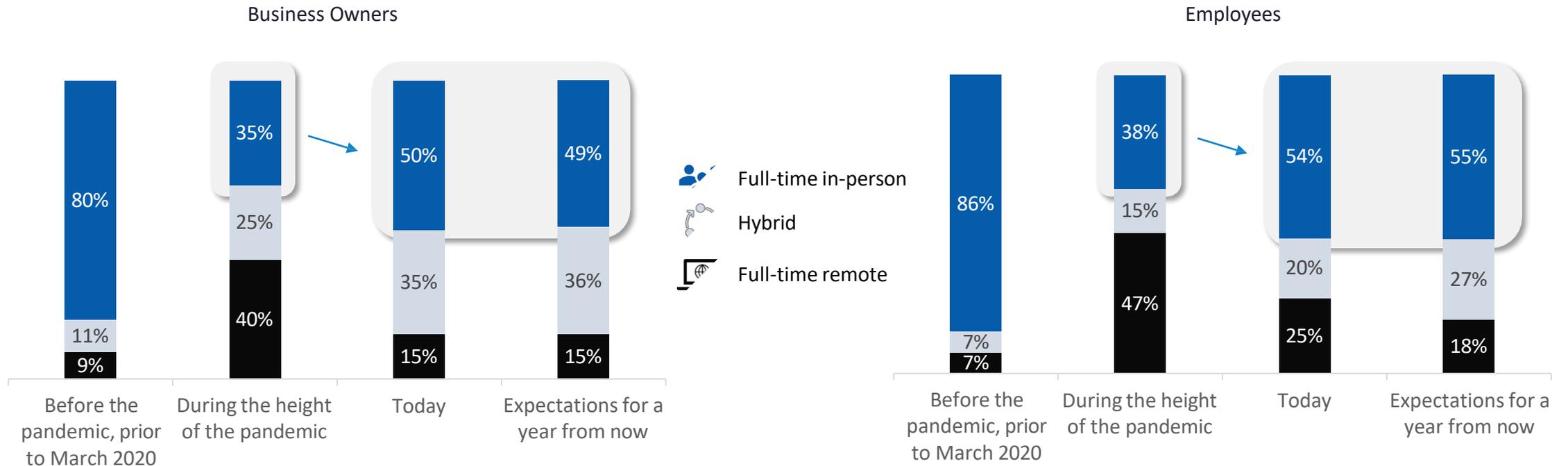


Q7A. Which of the following statements do you agree with the most? Base: Small business owners (n=399), Mid-market business owners (n=400) Q35. Which of the following statements do you agree with the most? Q28: If you had a choice, how would you prefer to work? Base: Employees (n=1000)

# It's proving out – the post-pandemic future of work is here; in-office work has rebounded with half of businesses operating full-time in-person while others hedge their bets with a hybrid workplace – possibly to retain employees

Business owners are 9% more likely than employees to expect hybrid work a year from now, possibly due to concerns that hybrid is necessary for employee retention.

Reported Employee Work Status: Past, Present, Future  
(Shown % Select)

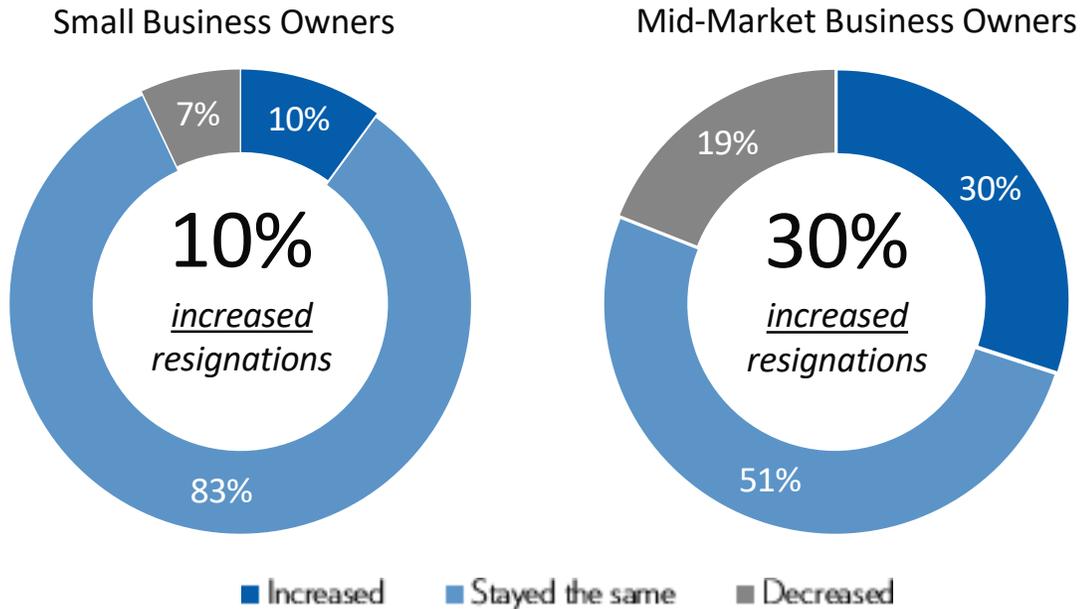


Q1. Thinking about your employee workforce, how have a majority of your employees worked at each of the following points in time? Base: Small Business Owners (n=399), Mid-Market Business Owners (n=400) Q2: How do you expect your employees to work a year from now? Base: Small Business Owners (n=399), Mid-Market Business Owners (n=400) Q25. Thinking about your experience as a full- or part-time employee, how have you worked at each of the following points in time? Base: Employees (n=1000) Q26. Based on the actions or information that the company you work for has provided you, how do you expect to be working a year from now? Base: Employees (n=1000)

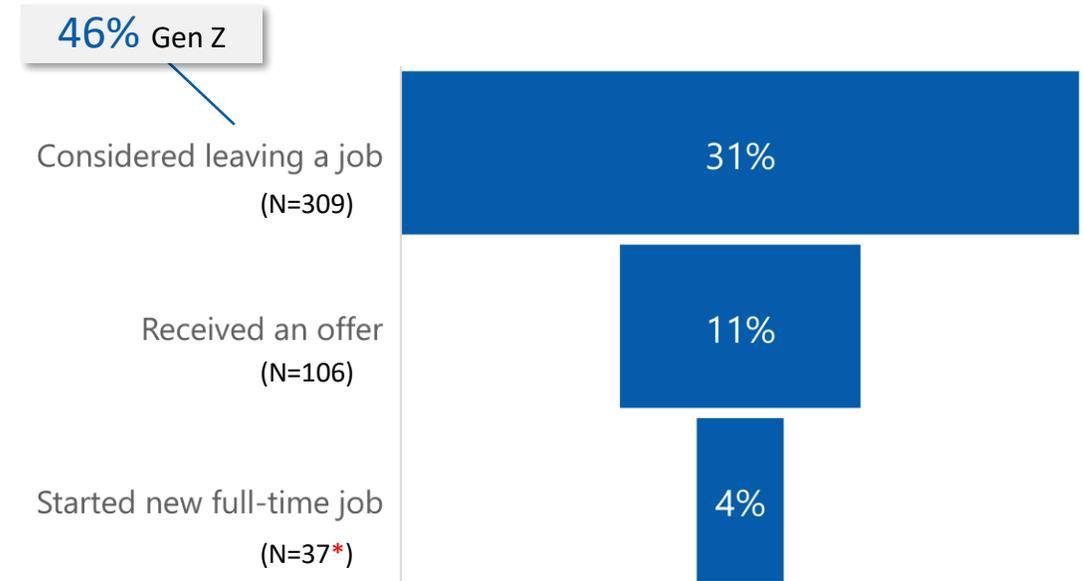
# And today, there are signs that employee turnover is decelerating as more flexible work options emerge...

In the past six months few business owners have seen increased resignations, and even fewer employees reported starting a new job.

Observed Resignations in Past 6 Months  
(Shown % Select)



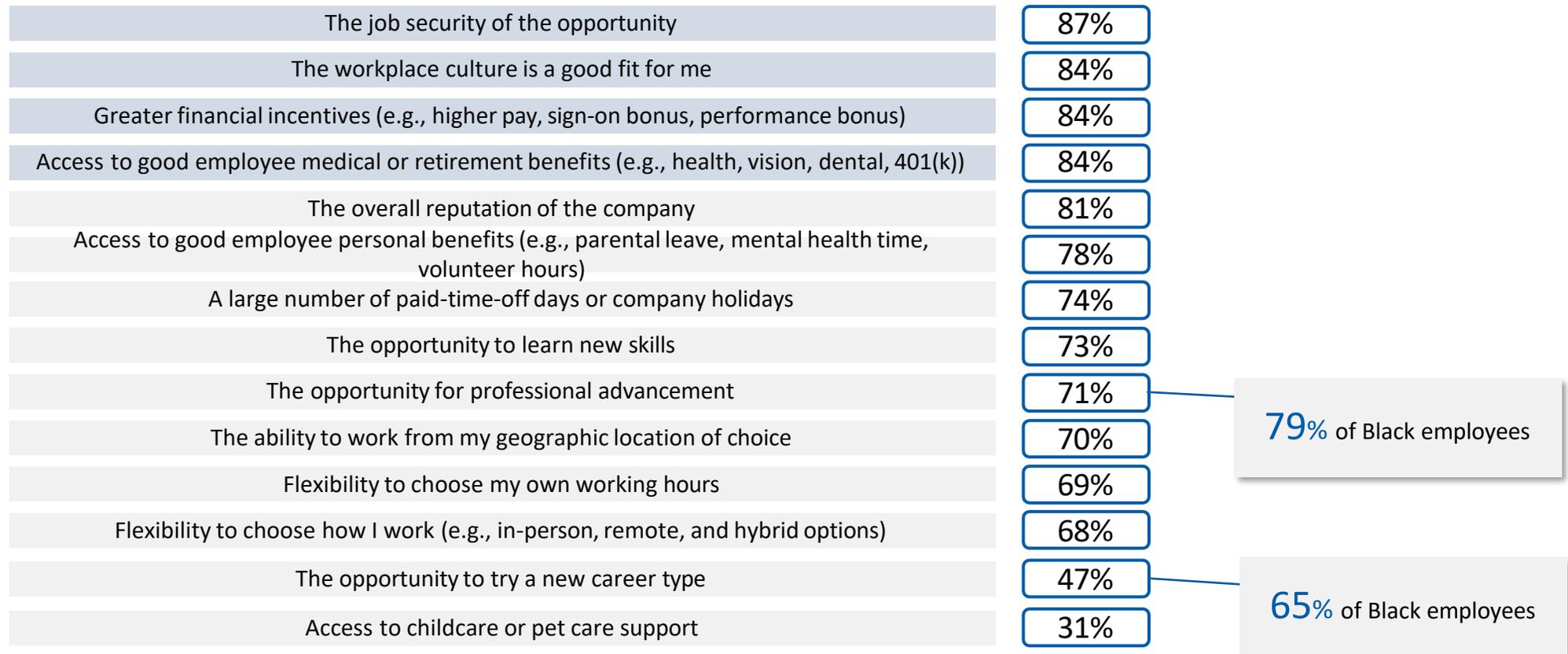
Employee Job Movement in Past 6 Months  
(Shown: % Selected Yes)



Q8. In the past 6 months, how has the number of employees resigning from your company changed? Please consider only the employees who freely resigned, not those who may have been laid off. Base: Small business owners (n=399), Mid-market business owners (n=400) Q36A. In the past 6 months have you considered leaving a job? Base: Employees (n=1000) Q36C. In the past 6 months have you received an offer for a new job? Base: Employees who considered applying for new job (n=248) Q36E. In the past 6 months have you started a new full-time job? Base: Employees who resigned from job (n=44)

...citing that better job security, financial incentives, and workplace culture alignment are the main drivers that would attract them to new job opportunities

What Employees Want from a Job Opportunity  
*(Shown Top 2 Box 'Important')*



# Yet business owners think resignations are due to employees wanting to pursue a passion, feeling burned out or lacking the flexibility they needed...flagging much needed alignment between the workforce and management

Reasons for Resignations <i>(Shown % Select, among those observing increased resignations)</i>	Total Business Owners
Employees wanted to pursue a passion	32%
Employees indicated they were burned out	28%
Employees did not have enough flexibility in terms of how they worked (in-person vs. remote)	28%
Employees relocated and could not continue to work for the company	28%
Employees left the workforce to care for loved ones	26%
Employees believed the business lacked the necessary tools or technology they needed for their job	24%
Employees were concerned that they may be laid off in the future	23%
It was not the industry they wanted to be in	23%
Employee pay was not adequate	22%
Employees did not approve of the company's return to work policy	22%
Employees were dissatisfied with the workplace culture	21%
Employee benefits were not adequate	20%
Employees did not receive the promotion they wanted	19%

Q9. Which of the following are reasons why employees resigned from their jobs? Base: Total Business Owners who observed increased resignations (n=158)