



Work Trend Index: 2021 Annual Report

The Next Great Disruption

is Hybrid Work – Are We Ready?

Exclusive research and expert insights into a year of work like no other reveal urgent trends for leaders as the next phase of work unfolds.

The future of
work is here
and it's hybrid

Flexible work is here to stay, and the talent landscape has fundamentally shifted.

With 2020 behind us, we're on the brink of a disruption as great as last year's sudden shift to remote work: the move to hybrid.

Remote work has given employees more flexibility and created job opportunities in new locations. But there are also challenges ahead. Teams have become more siloed and digital exhaustion is a real and unsustainable threat.

With over 40 percent of the global workforce considering leaving their employer this year, a thoughtful approach to hybrid work will be critical.

To help, the 2021 Work Trend Index outlines findings from a study of over 30,000 people in 31 countries and an analysis of trillions of productivity and labor signals across Microsoft 365 and LinkedIn – plus insights from experts on collaboration, social capital, and space design at work.

7

Hybrid work trends
every business leader
needs to know in 2021

1 Flexible work is here to stay

Employees want the best of both worlds

- Over 70 percent of workers want flexible remote work options to continue.
- Over 65 percent are craving more in-person time with their teams.
- Sixty-six percent of business decision makers are considering redesigning physical spaces to better accommodate hybrid work environments.

Even after a year of working from home, many still face challenges

- Forty-two percent of employees say they lack essential office supplies at home.
- One in 10 don't have an adequate internet connection to do their job.
- Only 50 percent say their employer helps with remote work expenses.

“Over the past year, no area has undergone more rapid transformation than the way we work. Employee expectations are changing, and we will need to define productivity much more broadly inclusive of collaboration, learning, and wellbeing to drive career advancement for every worker, including frontline and knowledge workers, as well as for new graduates and those who are in the workforce today. All this needs to be done with flexibility in when, where, and how people work.”

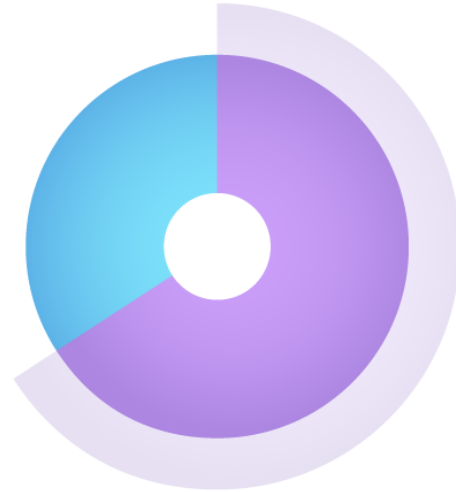
–Satya Nadella, CEO, Microsoft

66%

of leaders say their company is planning a space redesign for hybrid work.

1 Hybrid work is inevitable

Business leaders are on the brink of major changes to accommodate what employees want: the best of both worlds.



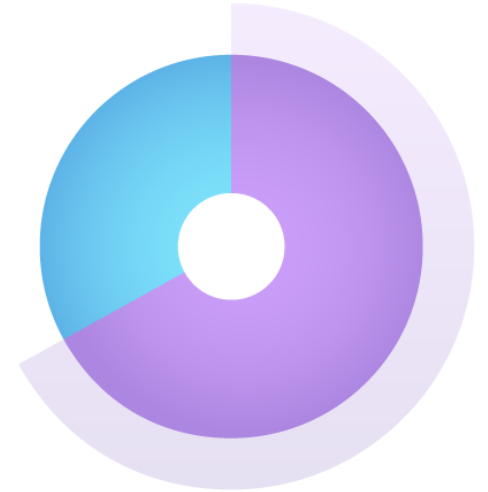
66%

of leaders say their company is considering redesigning office space for hybrid work



73%

of employees want flexible remote work options to stay



67%

of employees want more in-person work or collaboration post-pandemic

2

Leaders are out of touch with employees and need a wake-up call

Leaders are faring better than their employees.

- Sixty-one percent of leaders say they are “thriving” right now — 23 percentage points higher than those without decision-making authority.
- Leaders are more likely to report stronger relationships with colleagues and leadership and taking all or more of their allotted vacation days.

And employees are feeling the disconnect.

- Thirty-seven percent say their companies are asking too much of them at a time like this.
- Gen Z, women, frontline workers, and those new to their careers reported struggling the most this past year.

“Those impromptu encounters at the office help keep leaders honest. With remote work, there are fewer chances to ask employees, “Hey, how are you?” and then pick up on important cues as they respond. But the data is clear: our people are struggling. And we need to find new ways to help them.”

–Jared Spataro, CVP at Microsoft 365

37%

Say their employer is asking too much of them at a time like this

2

Business leaders are faring better than their employees

Most leaders in our study were male information workers with an established career – the near opposite of those struggling most.

3

High productivity is masking an exhausted workforce

Self-assessed productivity has remained the same or higher for many employees this past year, but at a human cost.

- One in five global survey respondents say their employer doesn't care about their work-life balance.
- Fifty-four percent feel overworked.
- Thirty-nine percent feel exhausted.

And trillions of productivity signals from Microsoft 365 quantify the precise digital exhaustion workers are feeling.

- Weekly time spent in meetings has more than doubled year-over-year and continues to climb.
- After-hours Teams chats are up 42 percent year-over-year.
- 50 percent of people respond to Teams chats within five minutes or less, a response time that has not changed year-over-year, despite the chat overload.

Collaboration trends in Microsoft 365 between February 2020 and February 2021:

- Time spent in Microsoft Teams meetings has more than doubled (2.5X) globally.
- The average meeting is 10 minutes longer, increasing from 35 to 45 minutes.
- The average Teams user is sending **45 percent** more chats per week and **42 percent** more chats per person after hours, with chats per week still on the rise.
- The number of emails delivered to commercial and education customers in February, when compared to the same month last year, is up by **40.6 billion**.
- There has been a **66 percent** increase in the number of people working on documents.

50%

of people respond to Teams chats within five minutes or less, a response time that has not changed year-over-year, despite the chat overload.

3

Digital overload is real and climbing

148%

Meetings

Weekly meeting time has more than doubled for Teams users and is still rising

40.6B

Email

Increase in number of emails delivered in February 2021 vs. February 2020

45%

Chat

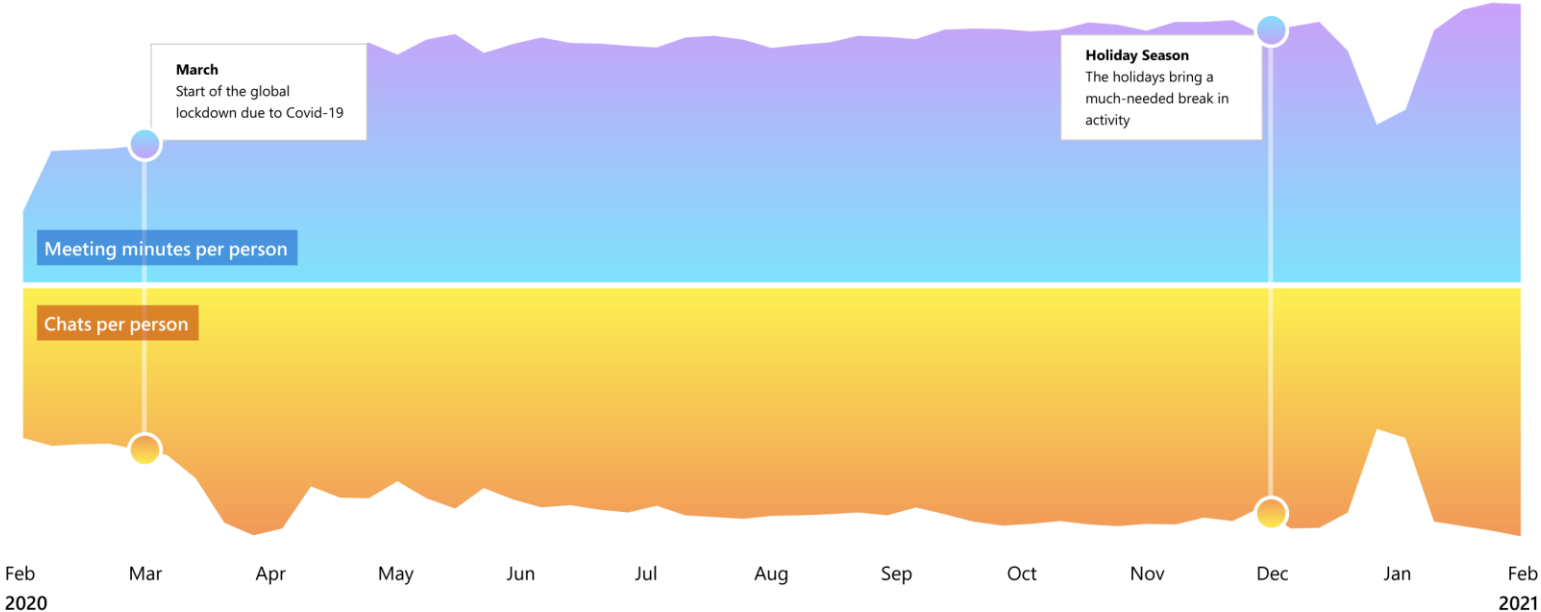
Weekly Teams chats per-person are up 45% and still rising

66%

Docs

Number of people working on Office documents is up 66% year over year

One year in, time spent in meetings and chats per person each week continue to climb.



Analysis reflects the change in aggregate collaboration activity across Microsoft 365 tools from February 2020 to February 2021. We take privacy seriously. The data is aggregated broadly, and we do not use personal data, organization identifying data, or customer content to produce data visualizations.

4

Gen Z is at risk and will need to be re-energized

Gen Z is more likely to be single and early in their careers, making them more likely to feel the impacts of isolation, struggle with motivation at work, or lack the financial means to create proper workplaces at home.

- Sixty percent of this generation — those between the ages of 18 and 25 — say they are merely surviving or flat-out struggling right now.
- More likely to struggle balancing work with life (+8 percentage points).
- More likely to feel exhausted after a typical day of work (+8 percentage points) when compared to older generations.

Their contributions are critical, and as the first generation to start their jobs in a completely remote environment on such a widespread basis, their experience will set expectations and attitudes toward work moving forward.

“Networking as someone early in their career has gotten so much more daunting since the move to fully remote work — especially since switching to a totally different team during the pandemic.

Without hallway conversations, chance encounters, and small talk over coffee, it's hard to feel connected even to my immediate team, much less build meaningful connections across the company.”

**–Hannah McConnaughey,
Product Marketing Manager at Microsoft**

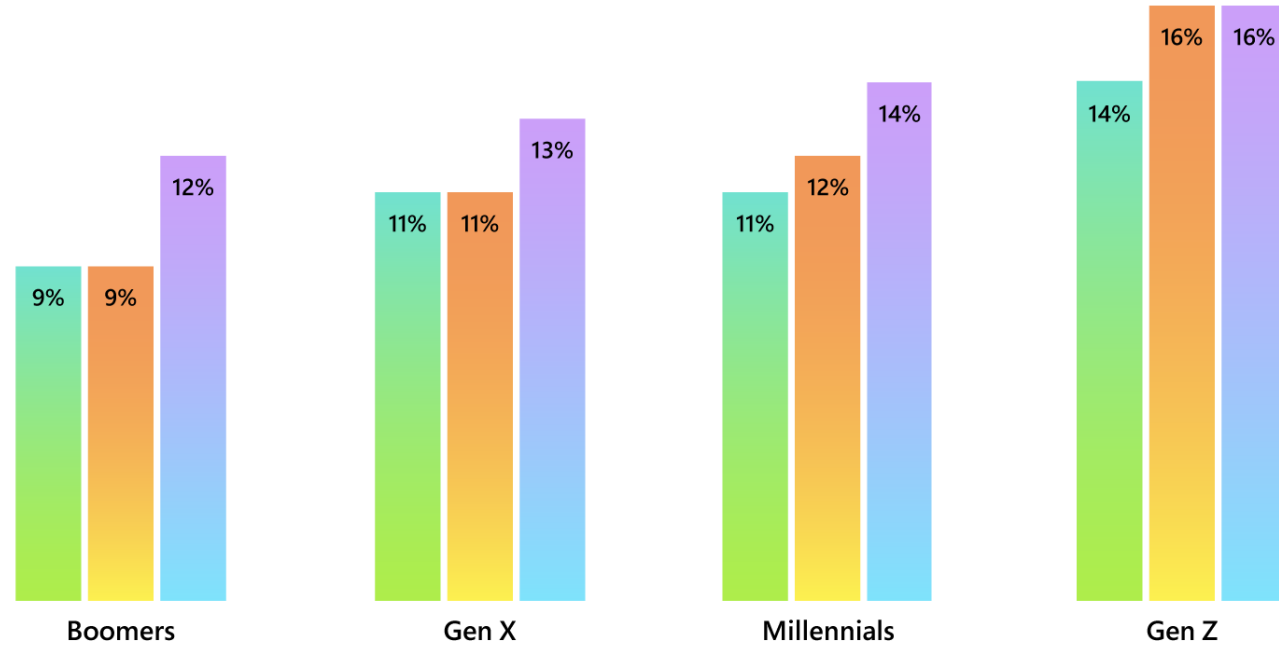
60%

Between the ages of 18 and 25 say they are merely surviving or flat-out struggling

4

Gen Z is struggling more than other generations

The last year has been more challenging for Gen Z in many ways – from bringing new ideas to the table, to feeling engaged or excited about work.



Gen Z is More Likely to Say They're Struggling than Older Generations on These Aspects at Work

Being able to bring new ideas to the table Getting a word in during conference calls / meetings Feeling engaged or excited about work

The Work Trend Index survey was conducted by an independent research firm, Edelman Data x Intelligence, among 31,092 full-time employed or self-employed workers across 31 markets – between January 12, 2021 to January 25, 2021.

5

Shrinking networks are endangering innovation

The move to remote work made teams more siloed.

- Anonymized collaboration trends between billions of Outlook emails and Microsoft Teams meetings reveal a clear trend.
- As we shifted into lockdown, bonds with our immediate teams strengthened and we let our broader networks fall to the wayside.
- We saw a similar trend in Microsoft Teams chats; conversations moved from team channels to more siloed 1:1 or small-group chats.

But hybrid work may revive our networks.

- Looking at countries like New Zealand, team isolation — measured by lack of communication with our distant networks — spikes when lockdowns are issued.
- When lockdowns are eased, team isolation improves.

“When you lose connections, you stop innovating. It’s harder for new ideas to get in and groupthink becomes a serious possibility.”

—Dr. Nancy Baym, Senior Principal
Researcher at Microsoft

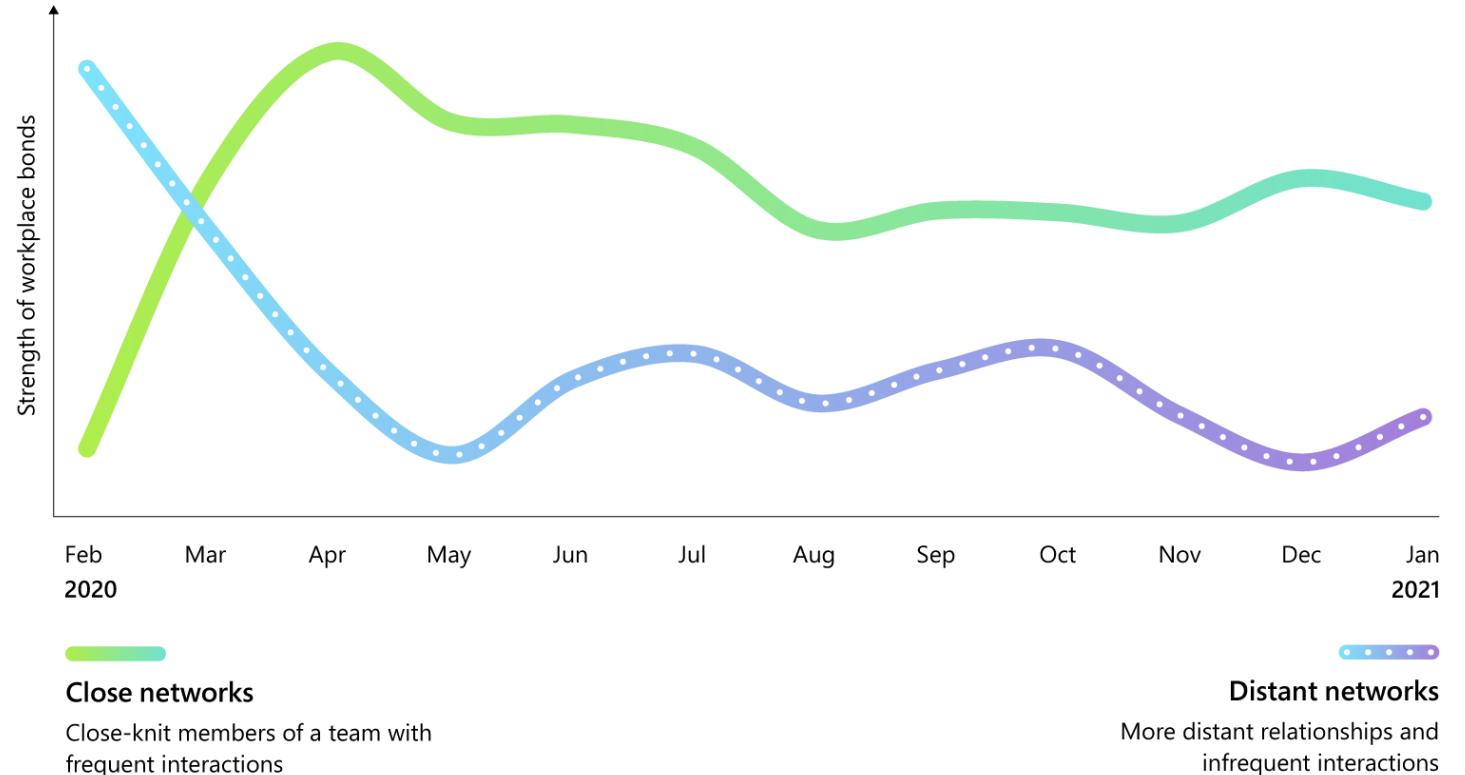
87%

Increase in people sending small group or 1:1 chats compared to a 5% decrease in people sending Teams channel chats where the whole team is included.

5

Teams are more siloed in a digital world

Collaboration trends in Microsoft Teams and Outlook show that interactions with our immediate team, or close networks, increased with the move to remote work. However, our interactions outside of that team, or distant networks, have diminished.

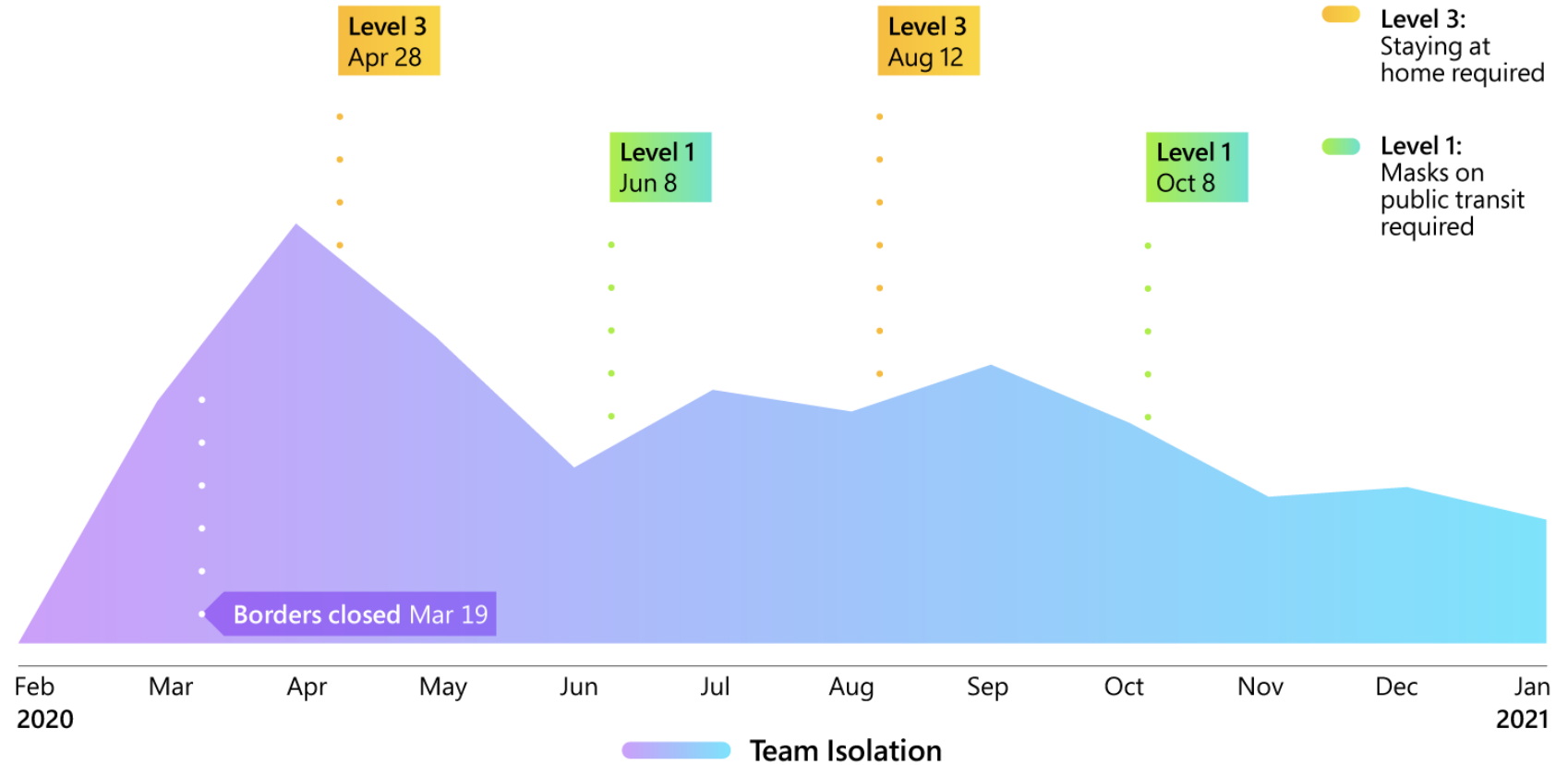


Analysis of an aggregated 122 billion email interactions and 2.3 billion meeting interactions in Microsoft Teams and Outlook across industries and countries around the world.

5

In New Zealand, eased lockdown restrictions improve workplace networks

Collaboration trends in New Zealand reveal a hopeful look at the future of hybrid work. As lockdown restrictions ease, team isolation improves.



The analysis considered aggregate email and meeting interactions across Microsoft Teams meetings and Outlook emails in New Zealand. We take privacy seriously. The data is aggregated broadly, and we do not use personal data, org.

6

Authenticity will spur productivity and wellbeing

The workplace has become more human.

- One in five have met their colleagues' pets or families virtually.
- One in six (17 percent) have cried with a coworker this past year.
- Thirty-nine percent say they're more likely to be their full, authentic selves at work, compared to a year ago.

Authenticity positively impacts productivity and wellbeing.

- People who interacted with their coworkers more closely than before not only experienced stronger work relationships, but also reported higher productivity and better overall wellbeing.

But not everyone feels the same.

- In the U.S., Black and U.S. Latino workers reported bigger challenges in building relationships, feeling included, and bringing their authentic selves to work than the broader population.
- Encouraging inclusion and authenticity among all groups, especially in hybrid environments, will be crucial in the next phase of work.

"Before the pandemic, we encouraged people to 'bring their whole self to work,' but it was tough to truly empower them to do that. The shared vulnerability of this time has given us a huge opportunity to bring real authenticity to company culture and transform work for the better."

–Jared Spataro, CVP at Microsoft 365

1 in 6 have cried with a coworker

6

A tough year made work more human

Coworkers leaned on each other in new ways to get through the last year. One in six has cried with a colleague, especially those who work in healthcare, travel and tourism, and education.



1 in 6

17% cried with a coworker



20%

Education



21%

Travel and Tourism



23%

Healthcare

7

Talent is everywhere in a hybrid world

A vast talent marketplace is one of the brightest outcomes from the shift to remote work.

- Remote job postings on LinkedIn increased more than five times between March and December 2020.
- This will allow talent to spread to new locations. **Forty-six percent of remote workers are planning to move to a new location in the next year because they can now work remotely.**
- It also creates opportunity for new groups. An analysis of the LinkedIn Economic Graph shows women, Gen Z, and those without advanced degrees are more likely to apply for remote jobs.
- And, in the U.S., our survey found that Black and U.S. Latino workers are more likely than white workers to say they want virtual-only interactions with coworkers.

“This shift is likely to stick, and it’s good for democratizing access to opportunity. Companies in major cities can hire talent from underrepresented groups that may not have the means or desire to move to a big city. And in smaller cities, companies will now have access to talent that may have a different set of skills than they had before.”

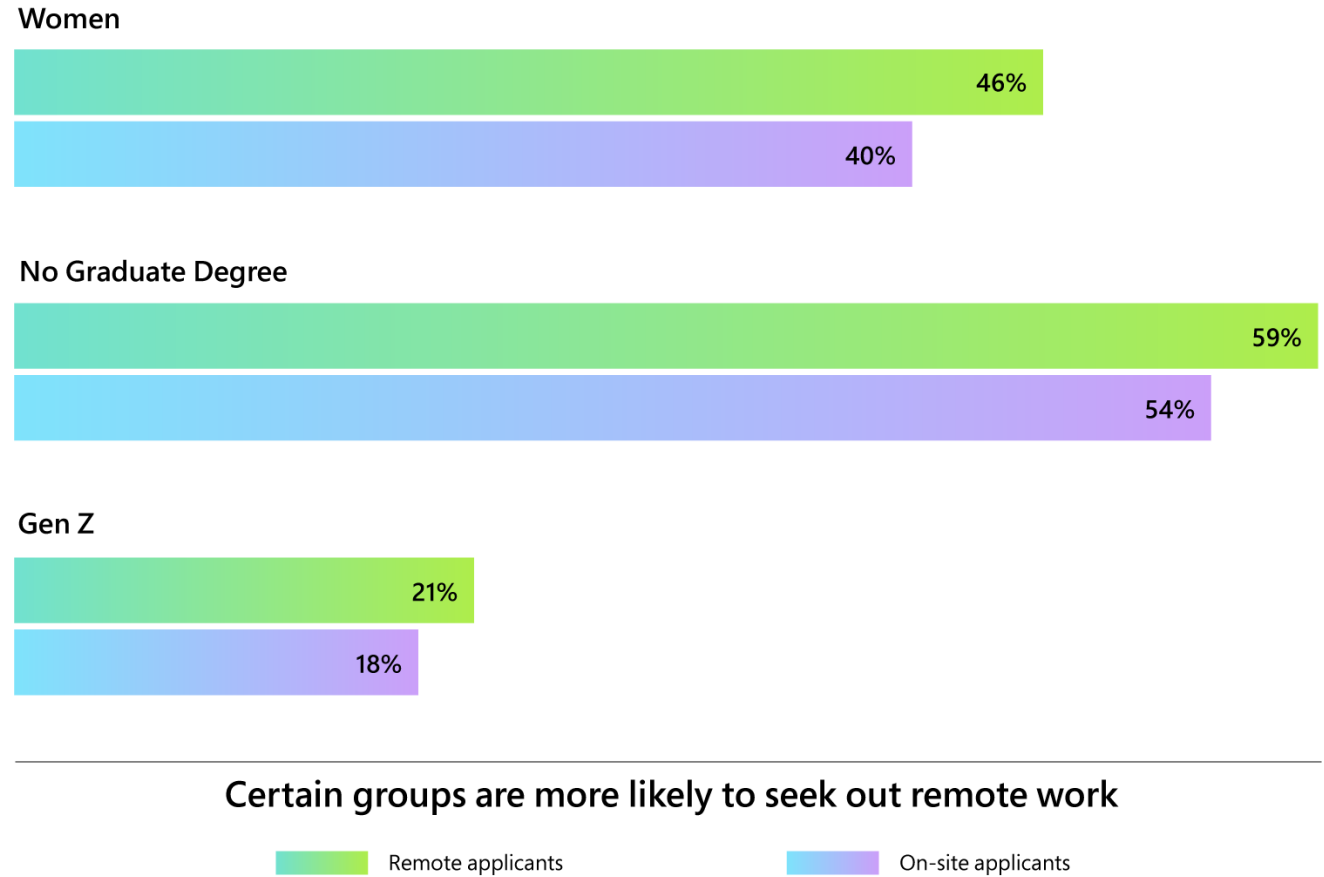
**–Karin Kimbrough, Chief Economist
at LinkedIn**

46% of remote workers are planning to move to a new location in the next year because they can now work remotely.

6

Remote opportunities are more attractive to diverse applicants

On LinkedIn, women, Gen Z, and those without a graduate degree are more likely to apply for remote positions.



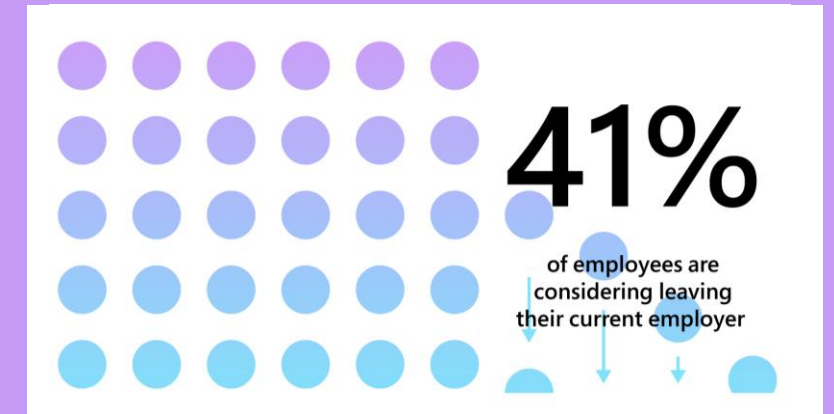
What's at stake?

As the world opens up, more employees than usual are evaluating their next move

With so much change upending people over the past year, employees are at an inflection point.

- Forty-one percent of the global workforce is likely to consider leaving their current employer within the next year.
- This is even higher for Gen Z (54 percent).
- Forty-six percent are planning to make a major pivot or career change.

The way companies approach the next phase of work — embracing the positives and learning from the challenges of last year — will impact who stays, who goes, and who ultimately seeks to join a company.



“We nearly have a doubling of job switching-intent. People are going to try and compress into one year what they might have ordinarily have done in two.”

–George Anders, Senior Editor-at-Large at LinkedIn

5

Strategies for

the way

forward

1

Create a plan to empower people for extreme flexibility

The decisions leaders make today will impact your organization for years to come – from how you shape culture, to how you attract and retain talent, to how you respond to changes in the environment and future innovation.

It's a moment that requires a clear vision. Every organization will need a plan that puts people at the center and encompasses policy, physical space, and technology:

- Ask questions to understand how your employees are doing and what they need.
- Codify the answers to these questions to formulate a plan to empower people for extreme flexibility.
- Provide guidance to employees as you experiment and learn.

Many organizations have already stepped forward with strong stances on flexible work. And at Microsoft, we're starting our journey, too.

It starts with asking critical questions:

- How are people doing and what do they need?
 - Who will be able to work remotely?
 - Who will need to come into the office, and for what amount of time?
 - When people do focused work, where will they do it?
 - What about collaborative work?
-

2

Invest in space and technology to bridge the physical and digital worlds

Second only to proper safety measures — workers expect a post-pandemic office to be a compelling and energetic space that creates a sense of community they can't get working from home, says Gale Moutrey, Vice President of Workplace Innovation at Steelcase.

- Many companies will also need space set aside for focused work.
- Most organizations will require a mix of collaboration, meeting, and focus space, in addition to spaces that encourage informal social interactions.

Office space no longer stops at the office. It extends to at home setup.

- Companies will need to take more responsibility for employee home offices. This will be essential to making remote workers feel included — particularly for those who are early in career, and those with fewer resources.

“Along with physical spaces, organizations need to invest in technology that enables people to fully participate from home, in the office, on the go, and from the manufacturing floor. This includes creating inclusive meetings experiences where everyone can contribute regardless of location.

Our vision at Microsoft includes changes to meeting room layouts with the addition of multiple screens to create dynamic views of participants, chat, whiteboards, content, and notes. We'll also enhance in-room technologies to help remote workers track and participate in the flow of the meeting.”

–Jared Spataro, CVP at Microsoft 365

3

Combat digital exhaustion from the top

The first step is doing less. Microsoft 365 Corporate Vice President Jared Spataro says, "Look across your teams and prioritize. Find ways to reduce employees' workloads."

- Look where you can add additional staff or resources towards helping your colleagues manage the intensity of the current day-to-day.

Second, embrace a balance of synchronous and asynchronous collaboration.

- Actively think about how to introduce more asynchronous collaboration so employees spend less time in meetings.
- This will give people more flexibility in structuring their day, create more time for focused work, reduce fatigue, and give people the time and energy to bring their best selves to work.

Third, embrace a culture where breaks are encouraged and respected.

"In digital, information is overwhelming and can lead to a constant state of panic," she explains. "When this happens, you need to make a quiet space in your day to allow your brain to distill the constant flow of information. We all have ideas; the key is giving our brains some time and space to form them."

–Dr. Mary Donohue, Founder at The Digital Wellness

4

Prioritize rebuilding social capital and culture

Reframe network-building and team bonding from a passive effort to a proactive one.

- Encourage teams to seek out diverse perspectives from neighboring teams, share learnings far and wide, and check for groupthink often.

Encourage and reward building social capital at work.

- People who reported working at companies that encourage and reward social support with bonuses or other incentives were more likely to feel satisfied with their jobs and happy about working there.

Create a culture where social capital thrives.

- Cultivating a culture of kindness, fun, and cooperative collaboration is just as important to the bottom line as your daily to-do list.

“We found people who reported working at companies that encourage and reward social support with bonuses or other incentives were more likely to feel satisfied with their jobs and happy about working there.”

**–Dr. Nancy Baym, Senior Principal
Researcher at Microsoft Research**

5

Rethink employee experience to compete for the best and most diverse talent

Extreme flexibility will be critical in attracting and retaining the top talent.

- With remote work positions more often preferred by women, Gen Z, Black, and US Latino workers, flexible work is also an amazing opportunity for leaders to create a more diverse workforce.

More digital work, and the stress of living through a pandemic has left many employees feeling overworked and disconnected.

- HR leaders should consider how wellness programs and work policies affect each group uniquely.
- The need for an employee experience platform that brings wellbeing, knowledge, engagement, and learning together in a digital world is critical.

HR leaders should rethink onboarding and double down on support for employees early in career to ensure their ideas are heard and that they can contribute fully.

“Managers have always had an important role in unlocking the potential of employees, and that role has been amplified during the pandemic. At Microsoft, our managers follow a framework to — Model, Coach, Care — and we’ve seen measurable positive impact for remote employees when managers model wellbeing, coach employees on setting priorities and show care and support for each individual member of their team”

**–Kathleen Hogan, Chief People Officer
at Microsoft**

Conclusion

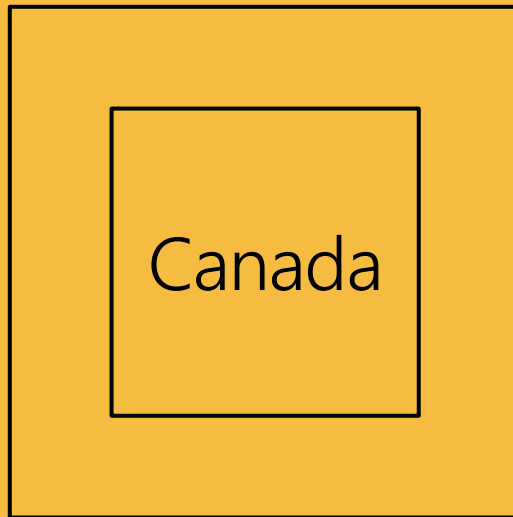
Successful organizations will embrace an experimental, agile approach.

There's no doubt that challenge and uncertainty lie ahead. But this moment also offers leaders a powerful opportunity to unlock new ways to achieve everything from wellbeing and work-life balance to an inclusive and authentic company culture — and experience better business outcomes along the way. **If we embrace extreme flexibility, follow data insights, and continue listening closely to employee needs,** together we can create a better future of work for everyone.

“Be ready to build a new plan — not just once, but maybe two, three, four times. What worked for your people and business in April may not be the same as November. The best CEOs will keep realigning the balance between caution and enthusiasm, which is bound to waver over the course of 2021.”

–George Anders, Senior Editor-at-Large at LinkedIn

Regional Research



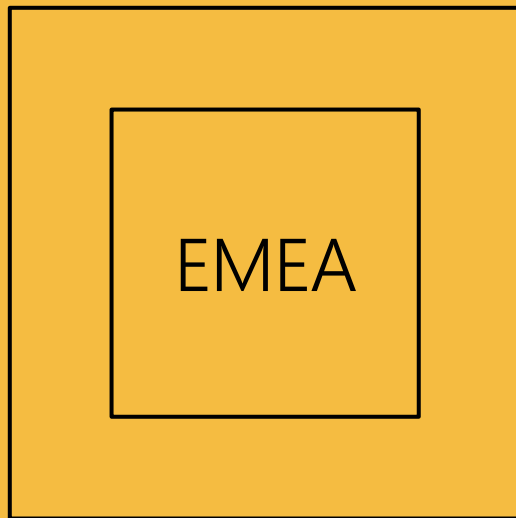
Compared to the global average, workers in Canada...

Are trending more toward burnout: In a typical workday, 47% of workers in Canada feel exhausted (vs 39% global avg) and 51% feel stressed (vs. 42% global avg).

More likely to feel isolated: In a typical workday, 36% of workers in Canada feel isolated (vs. 27% global avg).

Feel less freedom to be their authentic selves: 30% of workers in Canada say they are more likely be their authentic selves at work compared to last year (vs. 44% global avg).

Less likely to consider changing their employer: 35% of workers in Canada are likely to consider changing their employers (vs. 41% global avg).



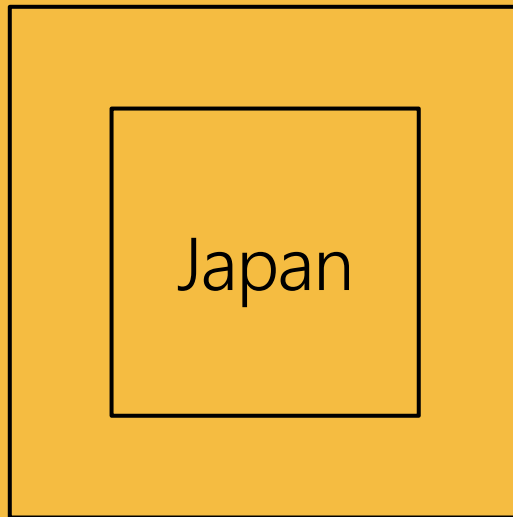
Compared to the global average, workers in EMEA are...

More settled in their current location: Only 36% of remote workers in EMEA are likely to move to a new location because they can work remotely (vs. 46% global avg).

Trending more toward more burnout: On a typical workday, 42% of workers in EMEA feel exhausted (vs. 39% global avg) and 46% feel stressed (vs. 42% global avg).

Feel less freedom to be their authentic selves: 27% of workers in EMEA say they are more likely to be their authentic selves at work compared last year (vs. 39% global avg).

UK, France, Germany, Netherlands, Italy, Switzerland, Sweden, Spain, Finland, Poland, and Czech Republic



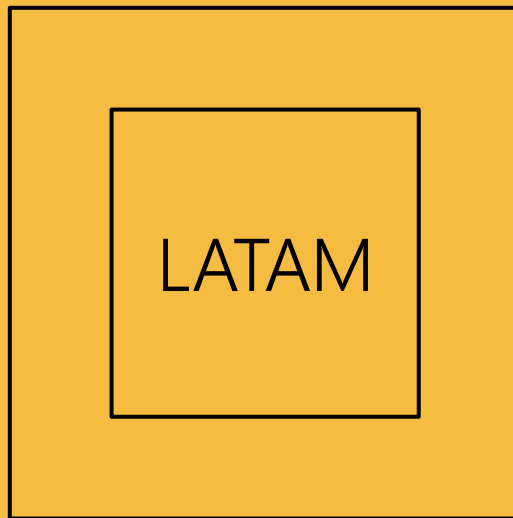
Compared to the global average, workers in Japan are...

More productive: 63% of workers in Japan say their productivity levels have remained the same compared to last year (vs. 40% global avg).

More socially isolated at work: 35% of workers in Japan feel isolated in a typical workday (vs. 27% global avg).

More exhausted & stressed: 48% of workers in Japan feel exhausted (vs. 39% global avg) and 45% feel stressed in a typical workday (vs. 42% global avg).

Less likely to consider changing employers: 38% of workers in Japan are likely to consider changing employers within the year (vs. 41% global avg).



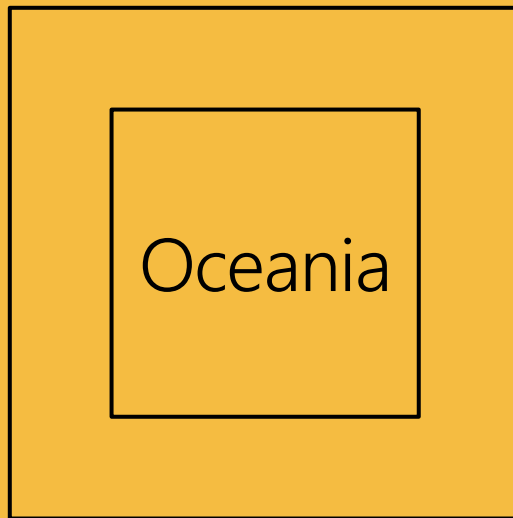
Compared to the global average, workers in LATAM are...

Trending less toward burnout: 31% of workers in LATAM feel exhausted (vs. 39% global avg) and 42% feel overworked (vs. 54% global avg).

More socially isolated at work: 49% of workers in LATAM say their interactions with co-workers have decreased (vs. 40% global avg).

Feel more freedom to be their authentic selves: 54% of workers in LATAM feel more likely to be their authentic selves at work compared to last year (vs. 44% global avg).

Less likely to consider changing employers: 36% of workers in LATAM are considering changing employer within the year (vs. 41% global avg).



Compared to the global average, in Oceania...

Business leaders are even more likely to be thriving: 73% of business decision makers in Oceania are thriving (vs. 61% global avg).

More employers prioritize work-life balance: 61% think that their employer cares about their work-life balance (vs. 50% global avg).

Team relationships are more likely to be thriving: 61% of workers in Oceania say relationships with their direct teams are thriving (vs. 54% globally).

People feel more freedom to be their authentic selves: 41% of remote workers in Oceania say they are more likely to be their authentic selves at work compared to last year (vs. 39% global avg).

People are more likely to move now they can work remotely: 50% of remote workers in Oceania are likely to move to a new location because they can now work remotely (vs. 46% globally).



Singapore &
Greater Asia

Compared to the global average, workers in Asia are...

More connected with co-workers: Only 35% of workers in Asia experienced decreased interactions with co-workers (vs. 40% global avg).

Less exhausted & stressed: On a typical workday, 36% of workers in Asia feel exhausted (vs. 39% global avg) and 39% feel stressed (vs. 42% global avg).

More free to be their authentic selves: 49% of workers in Asia say they are more likely to be their authentic selves at work compared to last year (vs. 39% global avg).

More likely to change professional paths: 47% of workers in Asia are likely to consider changing employers (vs. 41% global avg) and 56% are likely to consider a career change (vs. 46% global avg).

India, China, Hong Kong, Taiwan, Singapore, Korea, Indonesia, Philippines, Malaysia, Thailand, and Vietnam

About the Work Trend Index

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The 2021 Work Trend Index provides data-driven insights to help people and organizations thrive in a rapidly changing world.

We analyze trillions of productivity and labor signals from across Microsoft 365 and LinkedIn to derive powerful insights about how people work and collaborate. Taken together, these aggregate emails, meetings, searches, and posts create a window into human interactions at work — a unique view that we can use to better understand how collaboration and productivity are changing over time. We combine this data with surveys and interviews with information workers, frontline workers, and business leaders from across the globe, as well as findings from Microsoft's Human Factors Lab, which looks at how virtual work impacts our brains. We provide expert analysis and advice from researchers across Microsoft who have studied social capital, wellbeing, culture, and human interaction for decades.

The annual Work Trend Index is published each spring. Throughout the year, we publish pulse reports on timely industry topics.

Survey Methodology

The Work Trend Index survey was conducted by an independent research firm, Edelman Data x Intelligence, among 31,092 full-time employed or self-employed workers across 31 markets between January 12, 2021 to January 25, 2021. This survey was 20 minutes in length and conducted online, in either the English language or translated into a local language across markets. At least 1,000 full-time workers were surveyed in each market, and global results have been aggregated across all responses to provide an average. Each market is evenly weighted within the global average. Each market was sampled to be representative of the full-time workforce across age, gender, and region across a mix of work environments (remote vs. non-remote, office settings vs. non-office settings, etc.), industries, company sizes, tenures, and job levels.

Markets surveyed include: Argentina, Australia, Brazil, Canada, China, Colombia, Czech Republic, Finland, France, Germany, Hong Kong, India, Indonesia, Italy, Japan, Malaysia, Mexico, Netherlands, New Zealand, Philippines, Poland, Singapore, South Korea, Spain, Sweden, Switzerland, Taiwan, Thailand, United Kingdom, United States, and Vietnam.

Privacy Statement

Microsoft takes privacy seriously. We remove all personal and organization-identifying information, such as company name, from our data before analyzing it and creating reports. We never use customer content — such as information within an email, chat, document, or meeting — to produce reports. Our goal is to discover and share broad workplace trends that are anonymized by aggregating the data broadly from those trillions of signals that make up the Microsoft Graph.

