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Shifting labor economic paradigms are challenging tech companies to get smarter about how they work equitably with their employees to close skills gaps and improve productivity. Employee listening is essential to educating employers about the causes of employee burnout before "quiet quitting" unravels overall productivity.

How to Use Employee Listening to Counter Quiet Quitting in Tech

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Tech Employers Are in a Quandary

Changing economic conditions are prompting hard decisions about talent attraction and retention in the tech sector. According to a recent IDC survey (*Employee Experience Buyer Perception Survey*, n = 507, November 2021), employees in the tech sector said they feel 3–10% more pressured to deliver on objectives with 10–12% lower levels of perceived consideration for their needs and work-life balance compared with employees in other industries. Meanwhile, IDC has found that organizational talent priorities in the tech sector are 2.5x more likely to favor productivity over employee sentiment and satisfaction at work.

The executive culture toward talent in tech prioritizes productivity around corporate objectives, leading to a highly competitive drive for skills and talent return on investment (ROI). Spread throughout the culture is a protectionist attitude toward developed skills and intellectual property that is focused more on capturing than retaining talent. Across the tech sector, organizations are at once challenged to navigate a highly competitive premium driven higher by the domination of large, cash-heavy brands and the proliferation of tech-based roles and skills demand in the general market that give employees broader options of where to seek work.

AT A GLANCE

KEY STATS

According to IDC research, tech companies that invest in employee listening are:

- » 71% more likely to improve operational efficiency 1–20%.
- » 89% more likely to improve productivity 6–10%.

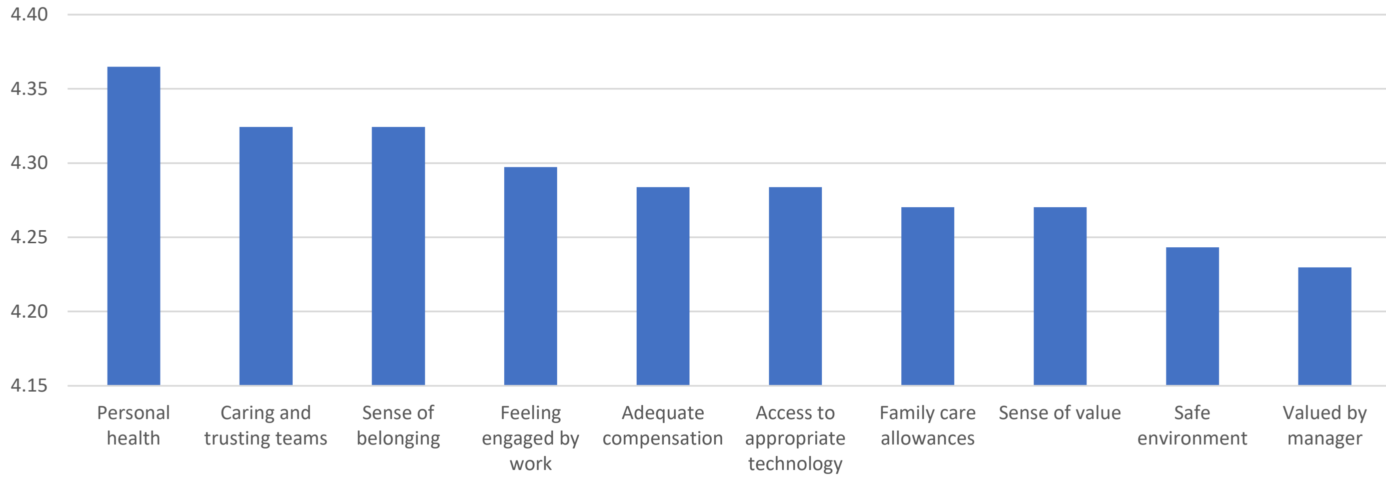
WHAT'S IMPORTANT

Employment economics are challenging the culture in the tech industry. With employee burnout pushed to new highs amid increasingly unreasonable demands on skills and productivity, leading tech companies are seeking to better understand what causes burnout that leads to quiet quitting. Employee listening enables insight into burnout and attrition risks, enabling tech companies to build new infrastructures to engage and connect with employees.

Tech Talent at a Glance

IDC has found that tech employees face some of the highest work pressures and longest working hours regardless of the perks and benefits they receive to sustain their performance. Top of mind for tech employees to stay with their employer are concerns about their personal health, strong teams within the company, a sense of belonging to the organization, feeling engaged by their work, and adequate compensation (see Figure 1).

FIGURE 1: ***Work Quality Expectations Among Tech Talent***



n = 507

Note: Respondents were polled to rank each expectation on a scale of 1–5, with 1 being not important and 5 being very important. The y-axis corresponds to the average rank for each expectation.

Source: IDC's Employee Experience Buyer Perception Survey, November 2021

Meanwhile, as employers try to compete for talent, their primary focus is on improving employee productivity, operational efficiency, and customer satisfaction. IDC research shows that tech companies overwhelmingly prioritize cost management and revenue growth, with employee engagement and satisfaction ranking seventh.

When faced with the dual challenges of escalating talent costs and the need to remain profitable, tech employers focus on improving productivity in their development and production teams, often at the expense of employee well-being. While tech employees still enjoy some of the largest market-leading perks for employment, those perks come at a cost to the employer and often fail to add real value to an employee's net compensation while providing little in the way of added job-related well-being or work-life balance.

As employer priorities diverge from employee concerns, tech talent turnover continues to rise. A recent IDC survey (*CHRO-CIO EX Survey*, n = 800) found that turnover is rising for 66% of tech employers, with 29% seeing it rise more than 5% above their industry average. The same survey found that tech organizations are 2.1x more likely to pursue external talent to fill skills demand than they are to engage in internal mobility, skills equity, and productivity growth. Investments in internal talent development lag those for external skills procurement, leaving internal talent value to depreciate over time in respect to new skills. Existing talent is left with two options: Update their skills on their own to deliver on employer-defined value or leave for companies that will partner in their growth and development. As the needs of existing talent diverge from organizational talent priorities in the tech sector, tech companies risk driving up attrition and inequities in talent treatment and in how different employee groups are valued with time.

Employer expectations around talent quality are setting the bar higher based primarily on corporate objectives. As the bar rises on talent quality expectations, tech employers risk artificially limiting the talent available to them while prioritizing skills over engagement and well-being within their existing workforce. IDC has found (*Employee Experience Buyer Perception Survey*, n = 507, November 2021) that expanding disconnects between employee expectations and employer goals drive tech employers to be 10% more likely to prioritize closing skills gaps over employee listening and 37% more likely to prioritize filling skills gaps over employee well-being.

IDC has found that internal pressures that push tech employees to fill skills gaps and achieve are accelerating rates of burnout and intentional productivity loss (quiet quitting) until employees ultimately leave for competing employers or decide to leave the industry.

Building Employee Listening in Tech

A recent IDC survey (*CHRO-CIO EX Survey*, n = 800, August 2022) found that 48% of tech employers pursue employee experience (EX) transformation to improve on employee retention. Top of mind for transformational tech companies is building stronger engagement and connection to close the gap between the rapid pace of evolving employer needs and management's understanding of burnout risks.

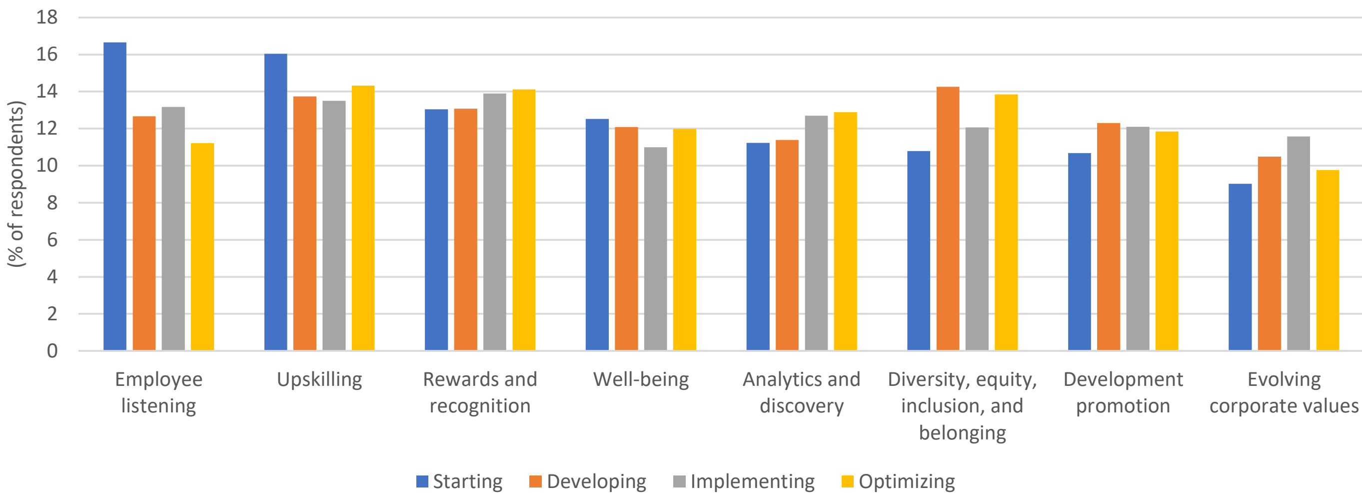
Tech companies have enjoyed a cultural approach to talent rooted in tech as a desirable economic sector in which to work. The dominant nature of certain large companies in the industry has sustained a relative fever pitch among tech workers to stay competitive against newly minted talent with the latest in-demand skill sets. Economic conditions and industrial changes are challenging the ability of tech companies to dominate the skills once demanded only by their industry. Tech companies must take measures to relieve skills-driven workplace pressures to stay competitive with each other as well as with nontraditional peers outside their core industry.

Tech companies must recognize their emerging dual challenges to attract and retain talent that require them to better partner with their employees on skills development and retention. There are not enough external tech employees available with the skills needed to satisfy demand for productivity and innovation — at least not the way tech companies are seeking or willing to train talent.

IDC's data (*Employee Experience Buyer Perception Survey,* n = 507, November 2021) shows that 53% of tech firms are rethinking how they can improve decision frameworks to better optimize workforce costs against the cost of skills acquisition. In reimagining workforce costs, 44% of tech firms are diversifying their skills pipelines to include internal upskilling, internal mobility, peer skills development, external partnerships for skills training, and so forth while pivoting to invest in stronger well-being and work-life balance. Overall, 64% are focused on building a strong employee experience founded on active employee listening to relieve the consuming nature of tech work and upskilling to meet corporate demand.

IDC's data (*Employee Experience Buyer Perception Survey*, n = 507, November 2021) shows that when it comes to EX considerations, tech companies are still driven by resolving skills development and closing skills gaps (see Figure 2). The journey most tech companies take to realign their skills needs with workforce potential shows that employee listening helps identify more productive and collaborative pathways toward closing skills gaps without perpetuating intentional productivity loss when employees feel overwhelmed or unfairly burdened (quiet quitting).

FIGURE 2: ***Changing EX Priorities as Tech Organizations Mature Through EX Transformation***



n = 507

Source: IDC's Employee Experience Buyer Perception Survey, November 2021

How Employee Listening Surfaces Productivity Loss and Connects to Attrition Risk

As a creative industry, tech must balance innovation with delivery timelines that satisfy both investors and their customers. Employee listening helps tech leaders understand the gap between expected and real productivity. This understanding is critical if tech leaders aim to reduce unnecessary pressures on tech talent and shore up employee well-being, improve work-life balance, and maximize the ROI of their workforce.

IDC found (*Employee Experience Buyer Perception Survey*, n = 507, November 2021) that tech companies that invest in employee listening are 71% more likely to improve operational efficiency 1–20% and 89% more likely to improve productivity 6–10%. Organizations that leverage employee listening to collect and integrate employee sentiment data and feedback into operational decision making are 50% more likely to realize productivity gains of 31–50%. Realized productivity gains correlated tightly to employee belonging and interest in their work and employer. Overall, as productivity increased, employee attrition risks decreased and participation in training and upskilling improved — all indications against quiet quitting. Indirectly, employee listening improved the likelihood of significant revenue improvements of 11–20% by 34%.

Within tech environments, employee listening provides insight into workplace stress and pressure that enables employers to better match resources, incentives, and work time mandates to where they are most likely to be effective. While the very nature of many tech projects involves pressure and stringent requirements, understanding how employees work best — in what environments, on what teams, and at what times — enables employers to strategically invest in the resources that will draw value out of the talent they have. At the same time, promoting consistent enablement founded on employee listening adapts skills as strategic resources to keep projects on time and on task toward completion. In the end, tech companies that supported employee listening increased the likelihood of improving customer retention and satisfaction by 61%.

Leveraging a New Model for Productivity and Retention

Quiet quitting is a manifestation of real work pressures and a disconnection between how organizations value and measure performance and the realities of how productivity is improved. Reducing pressure in the tech environment and enabling productivity hinge on an organization's ability to understand the reasoning behind employee pressures and productivity changes. Employee listening tools help organizations understand the realities of the development environment toward separating what is expected from what is realized in terms of the stages of product development, testing, and readiness. As employers gather more context, insights, and trends around employee performance goals, they can better differentiate between short-, medium-, and long-term possibilities to define and measure their expectations. As organizational leaders change how they assess the interaction between people and resources toward goals, they gain better insights into how to manage against quiet quitting risks while answering for the realities of the work environment that promote "quiet quitting" as a potential practice.

Workday for Tech Companies

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Challenges

Tech employers must be careful how they define quiet quitting, especially as they prioritize solving the puzzle of product team productivity over focusing on discovery of productivity drivers through direct employee listening and engagement. Placing innovation teams on a schedule is a tricky business that calls on managers to collaborate with developers to forecast reasonable product development time frames based on net-new precedents and resources on hand. While an inherent lack of commitment in forecasting may be frustrating, the new nature of developmental precedents requires patience with team members. Employers must differentiate between real and expected productivity when evaluating the efficacy of tech talent before levying unrealistic expectations for production and value development on their most prized knowledge workers. At the same time, development teams must have the tools to become more well-versed in communicating their needs and timeline changes as forecasts adjust to project and resource realities.

As with other innovation-based industries, tech companies need to understand the real experiences of roles in work environments that are foreign to business leaders. In tech environments, business leaders risk failing to separate out different aspects of their measures of productivity, leading to an inability to differentiate between burnout, overworking, and quiet quitting. Conforming to the separation of expectations between real and expected productivity while personalizing each expectation to individual employees in the context of projects requires a culture change among business leaders and a fundamental change in how the organization measures progress on goals.

Engineering culture change calls on organizations to break down data and operational silos to bring together stakeholders for change across HR, finance, and operations. Furthermore, a change in how productivity is measured and managed calls on all organizational divisions to rethink their data models and recast their preconceptions about product teams. Culture change takes time even if the data environment is remedied to value productivity along different lines. Organizational leaders must be aware that while the mechanical side of employee listening and implementing its results may be easily systematized, the human side of it will take time.

Employee listening is a key component for tech workers to convey the realities of the product development line to their employers who are not always well-versed in the realities of the development environment. Leading tech companies recognize the value in differentiating between real and expected productivity and the freedom to innovate beyond delivery forecasts. To that end, leaders are 20% more likely than the average tech company to deploy employee listening and channel it into their efforts to redefine their business models for more accurate measures of expected productivity.

About the Analyst

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Zachary Chertok is the research manager for IDC in employee experience (EX). Mr. Chertok's core research coverage includes all aspects of employee experience management including but not limited to wellness and well-being; adaptive and responsive learning and development; recognition; employee engagement; corporate culture; diversity, equity, and inclusion; employee journey mapping; analytical personalization; and supporting digital and consultative services. In addition to his research for IDC, Mr. Chertok teaches for Columbia University's HCM program within Columbia's School of Professional Studies.

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