



Burnout turning up the heat on U.S. companies

Survey of American workers reveals
increasing wellness concerns

In a work environment where employees increasingly say they are burned out, Grant Thornton's new State of Work in America survey shows that the most successful employers will be the ones who support their employees to alleviate the stressors consuming today's workforce and challenging leaders.

Fifty-one percent of the 1,500 respondents surveyed reported they have suffered burnout in the past year, a 15 percentage-point increase over those who reported burnout in 2023. While the increase in burnout was a major finding, the survey also revealed other insights:

Business leaders would do well to acknowledge that these issues exist and assess the impact they have on the organization's ability to achieve its business objectives. This will require supporting leaders in diagnosing and addressing the challenges throughout every aspect of the talent lifecycle to uncover opportunities to reduce burnout and retain employees.

Notable survey findings

30%

Assert their financial well-being declined this year, with 32% saying their mental well-being declined.

20%

Report there is little to no transparency into their career path.

62%

Hold a second job or are considering doing so.

52%

Say their organization will increase AI use in the next year.

34%

Cited poor communication as a top cause of work stress.

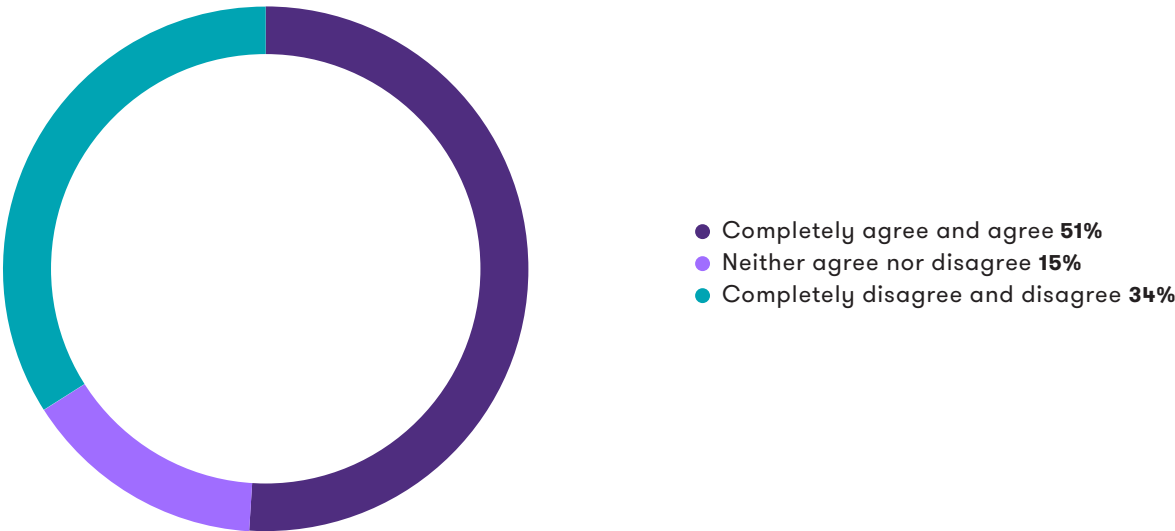
28%

Believe their role will be reduced or replaced by AI in the coming year.

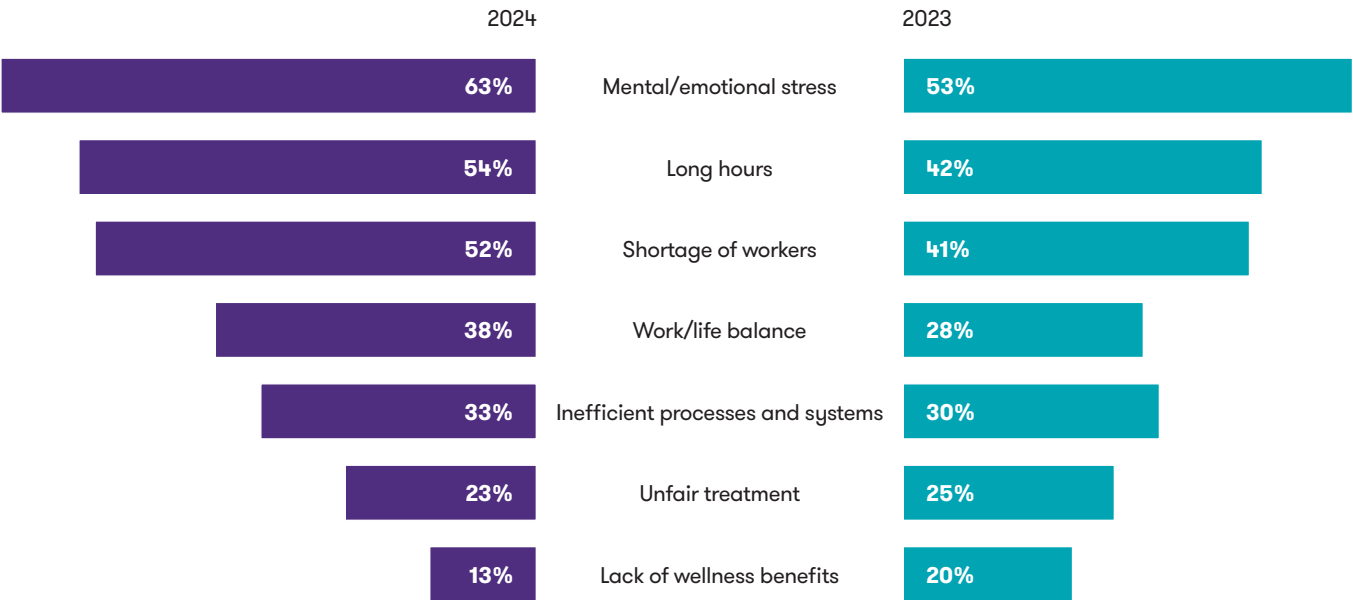


Unmasking burnout

Over the past year, I have experienced burnout at my job.



What contributed to your current burnout at your job?



Respondents said the top causes of burnout were mental and emotional stress followed by long hours. While worker shortages can contribute to long hours, the increase in mental and emotional stress as a cause of burnout is a concern because, for many reasons, this increase could be due to factors outside businesses' control.

Focus on well-being

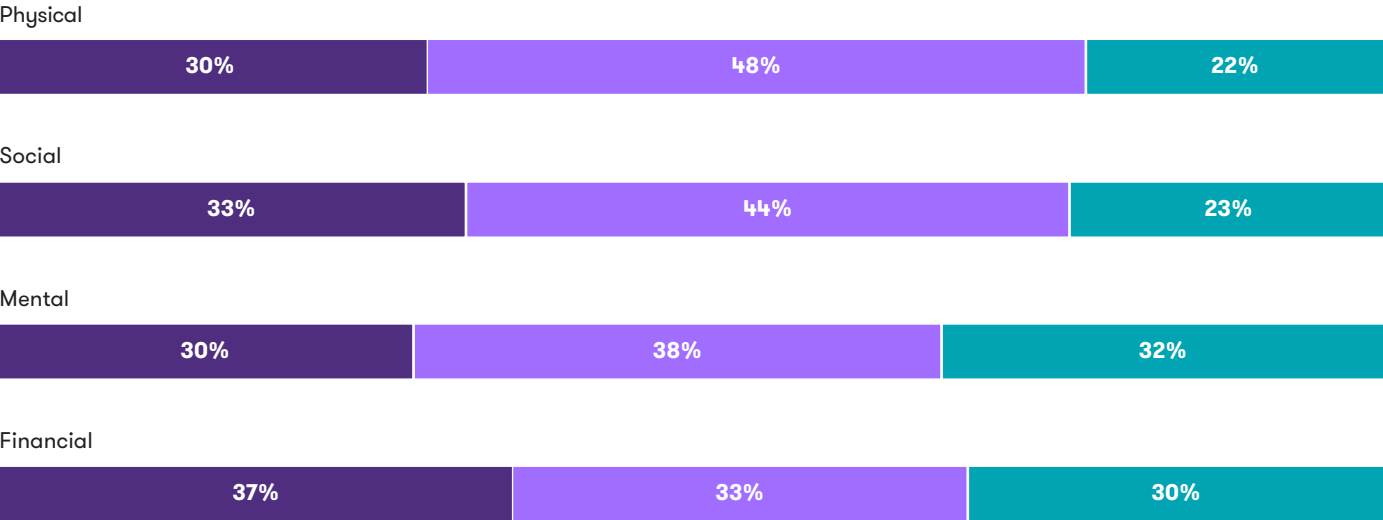
Mirroring the increase in worker burnout, employees were more likely to indicate their well-being has become worse in 2024 compared to 2023. Well-being isn't solely determined by workplace stressors; it can be significantly influenced by factors outside of work. However, a decline in employees' overall sense of well-being, especially their mental health, should be a major concern for employers.

Joe Ranzau, Grant Thornton Growth Advisory Services Managing Director, said external factors such as increasing global conflicts, post-pandemic inflation, and a particularly stressful political environment are all outside stressors that can burden the minds of employees, who in turn bring these worries with them into the workplace.

A complicating factor, said Rob Ginzel, Grant Thornton Growth Advisory Services Director, is that these are difficult topics to share with others in the workplace. The isolating nature of these outside-work stressors has been a significant concern for human resources professionals as they temper with how much personal struggle is acceptable or comfortable to discuss in the workplace.

How has your well-being changed in the past 12 months?

● Much better or somewhat better ● About the same ● Much worse or somewhat worse



Managing workforce gaps

Survey respondents said people shortages are the most stressful part of working at their organization, which no doubt causes stress for company leaders as well.

Recently, more layoffs have occurred as the U.S. unemployment rate rose from 3.7% in January to 4.1% in September. Organizations challenge employees to do more with less and continue to cut staff, given the economic uncertainty of the past few years. Additionally, our [Q3 2024 CFO survey](#) reported that for the fourth straight quarter, CFOs indicated that human capital expenses are the top area for potential cost cuts, which will fuel concerns over stress, burnout and wages.

To manage these concerns, leaders must create and manage a healthy work environment, with authentic concerns about placing controls around employee work hours, ensuring they can disconnect from work. Company leaders need to be empowered to play a role when their employees are under stress, keeping in mind that addressing workplace stress requires a different approach than addressing burnout. Common stress-relief activities such as fitness breaks or relaxation rooms aren't really effective burnout remedies. Managers can also relieve stress through showing concern about staffing shortages, such as by frequently recognizing employees handling these challenges.

Other work stressors — potential paths to burnout

As our survey shows, relatively unchangeable factors such as the commute, work relationships and job insecurity rank low on the list of stressors. But the presence of poor communication as the second-highest cause of stress offers a key insight because communication is a basic workplace requirement that businesses can address.

Margaret Belden, Grant Thornton Growth Advisory Services Director, said company leaders must understand that employees today want and expect more information and transparency about their jobs and their business. To relieve the effects of burnout, Belden said, company leaders need to prioritize communications with employees, whether through their immediate managers or company-wide announcements. This should encompass communication about business strategy, goals, organization changes, upcoming business decisions, career and pay.

"Take the example of people shortages," Belden said.

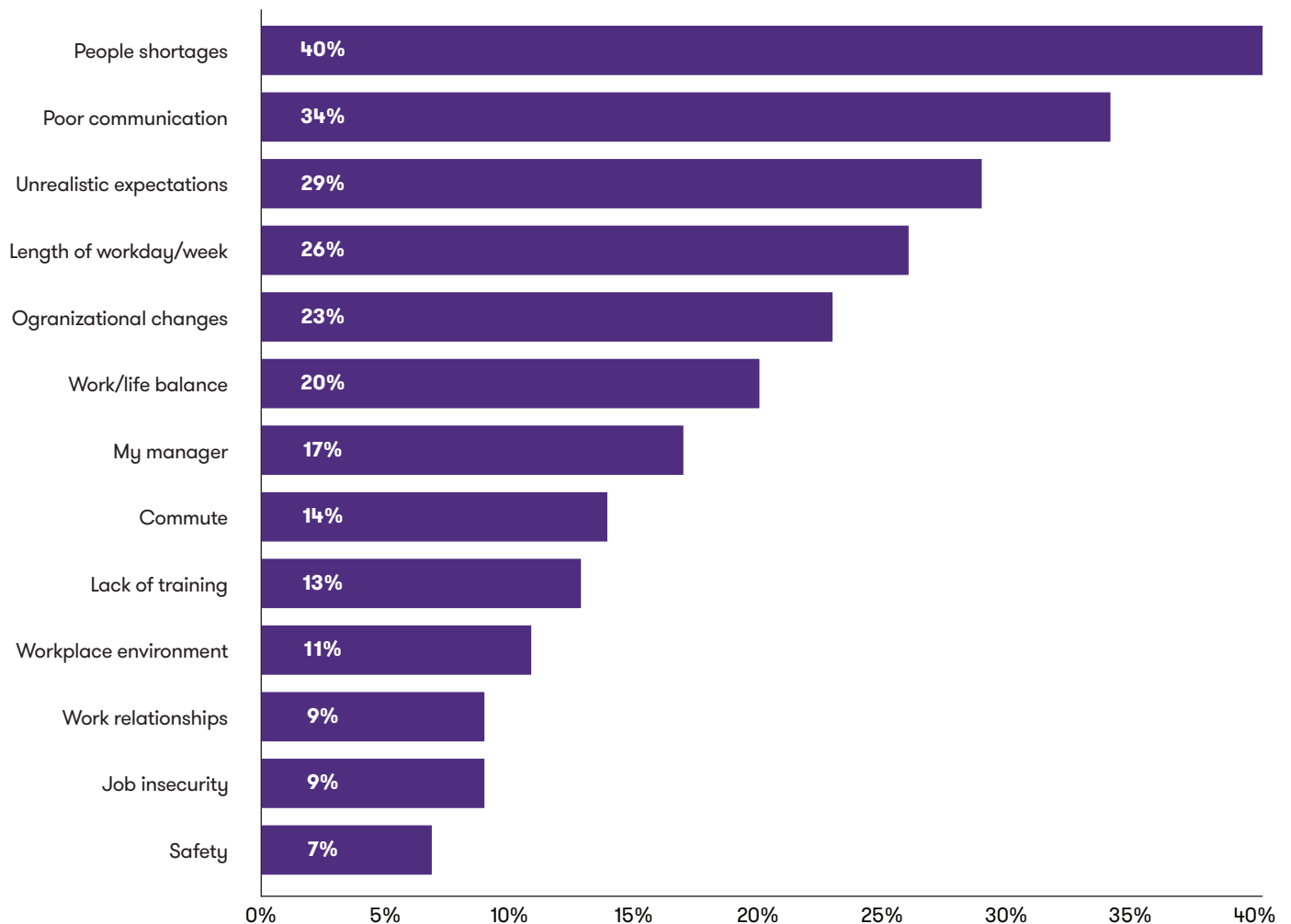
"Companies should address it head on, share it is a challenge and invite employees to help solve the challenges. They should show empathy for the impact it has on their workload and consider how they can adjust what is expected and when tasks need to be completed."

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Margaret Belden

Director, Growth Advisory Services, Grant Thornton Advisors LLC

What are the most stressful parts of working at your organization?



Company leaders are under pressure as employees want and expect more information and transparency about their compensation, advancement opportunities and standing with an organization. These are major aspects of the employee lifecycle that have both positive and negative impacts on employee engagement, motivation and wellness if not managed effectively. Performance feedback is a major driver of satisfaction for employees, and we know from our recent [HR leaders survey](#) that more than 76% of HR leaders expect to overhaul their performance management process. The days of the mysterious performance management processes where leaders go away to evaluate, calibrate and compensate employees are becoming more modernized.

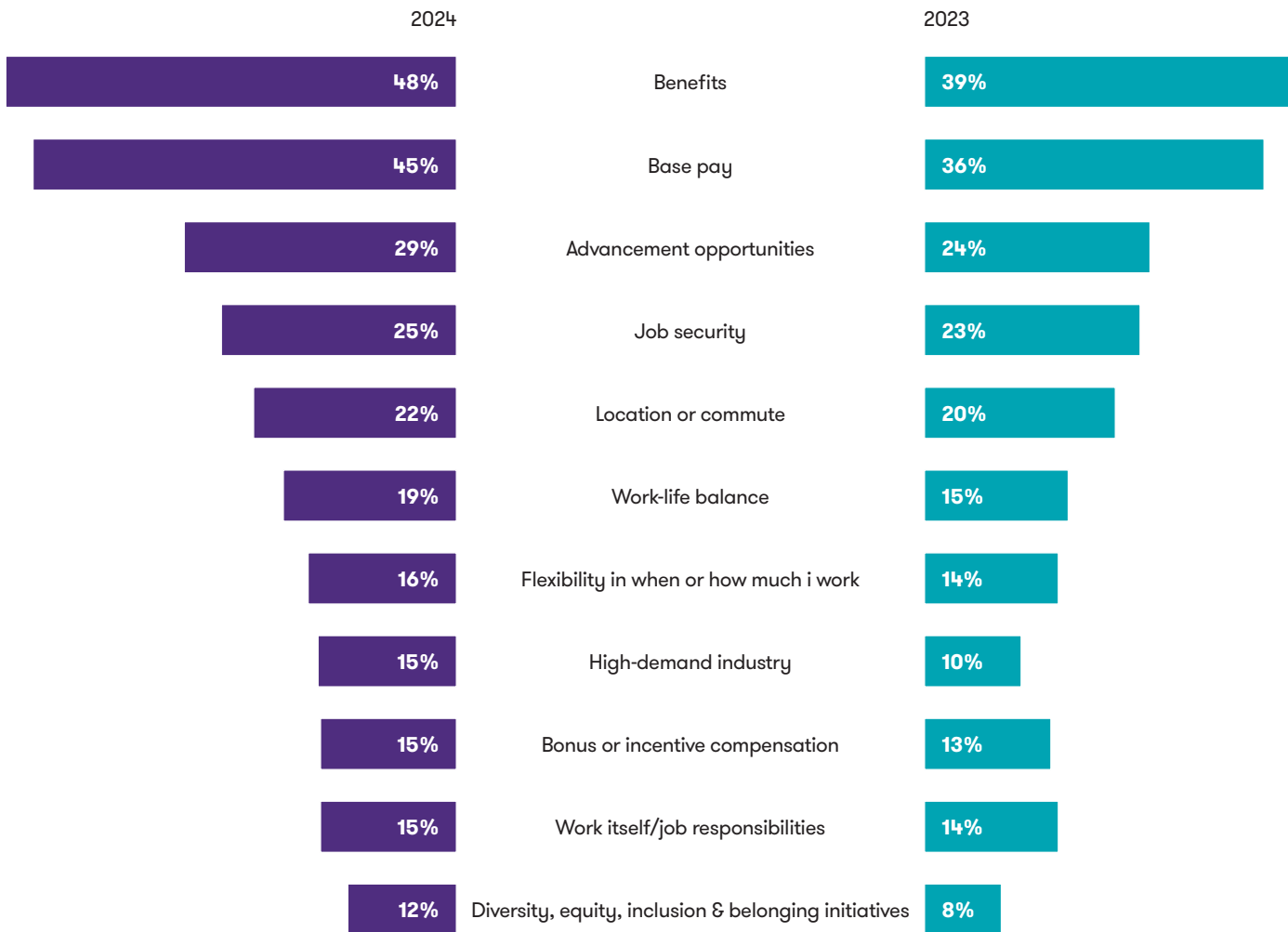
What is driving this focus is a demand for 1) “in-time” feedback and not waiting for formal review processes, 2) more frequency in receiving feedback and 3) more forward-looking feedback to strengthen skills, capabilities and career growth potential.

This approach will support leaders in meeting employees’ needs for feedback, clarity around the process of performance management, greater channels of communication and a more trusting relationship.

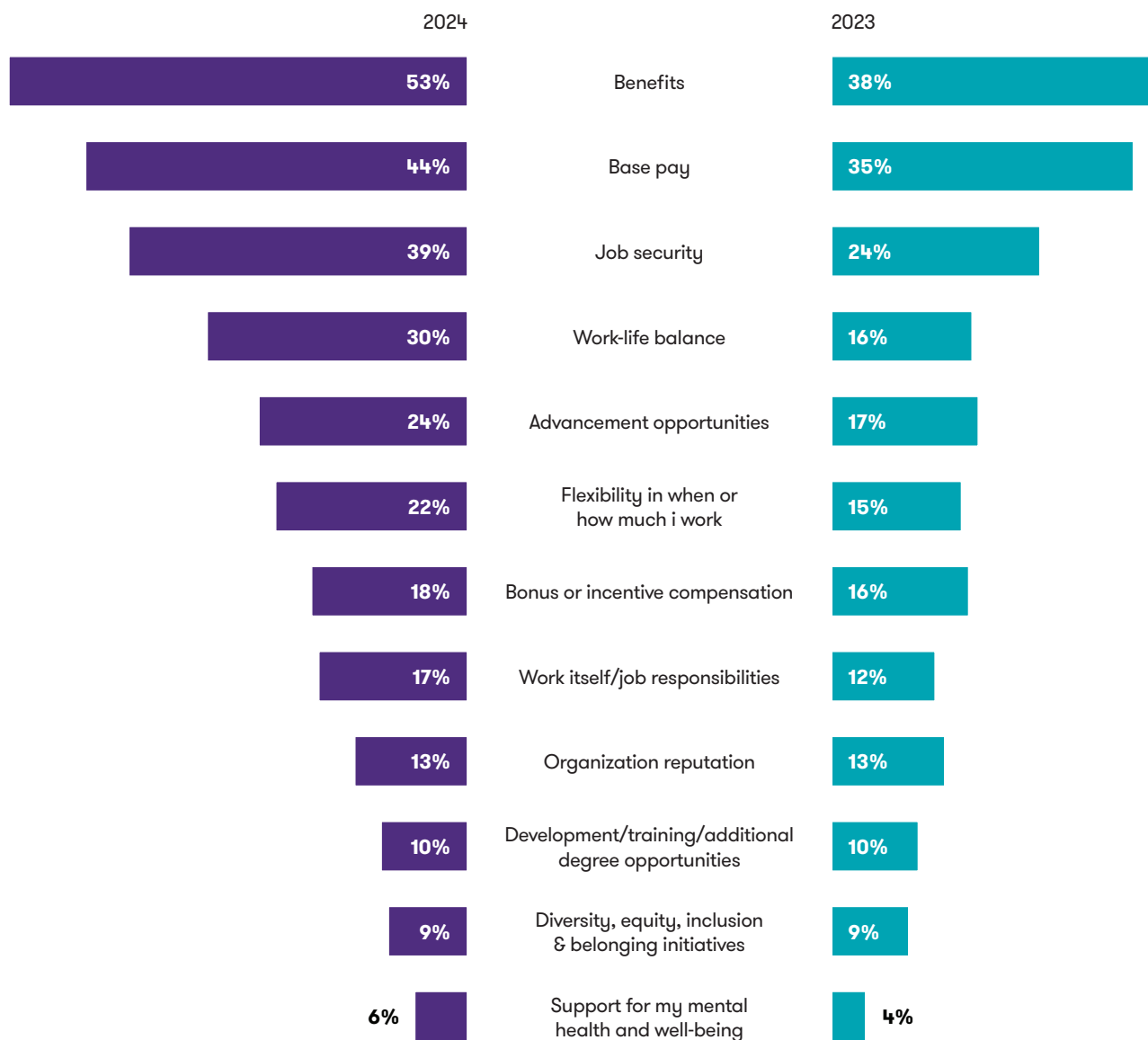


Strategic appeal

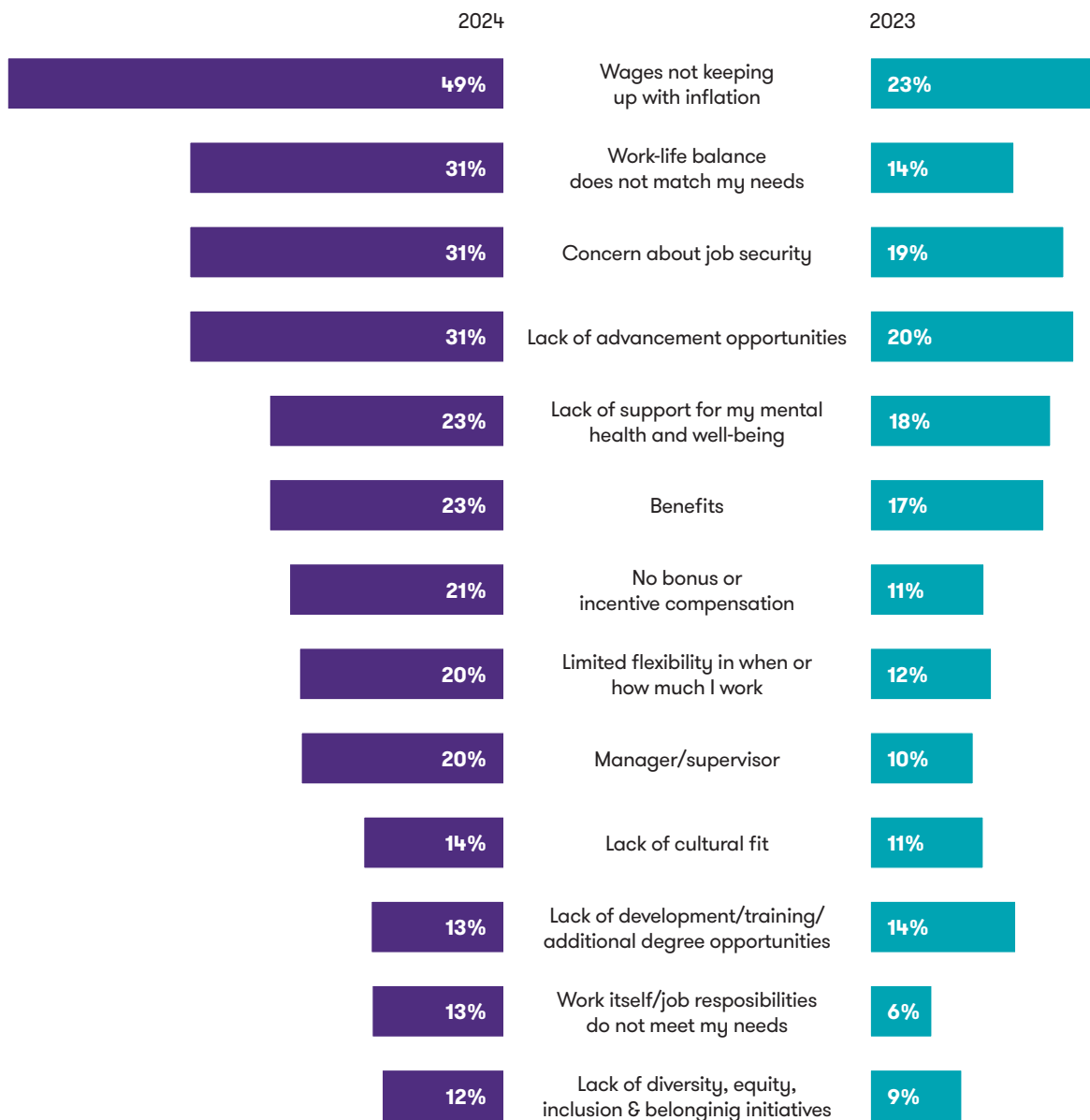
What first attracted you to your organization?



What's keeping you at your organization?



What would cause you to leave your organization?



Compensation challenges

Addressing the impact of burnout is crucial because it directly affects an organization's ability to attract, motivate and retain talent. Benefits and pay once again dominate the survey responses measuring these motivators, with both listed as the top two reasons to join a company and stay. Benefits are less of a factor when deciding whether to get a new job, but pay, particularly to counter inflation, was cited by nearly half the respondents.

Getting compensation right has always been a challenge, and we know that benefit offerings and their value can differ by employee. As employees struggle to keep up with rising costs and inflation, they will be more critical and outspoken about their wages and the cost of benefits they incur. Leaders have faced this challenge before, and it requires leveraging market data to remain competitive, sharing the impact of the organization's financial standing on pay and promoting pay transparency practices.

Ginzel said the overall trend of the past few years was that workers had the upper hand in salary negotiations, which saw significant and broad increases in wages. But last year's inflation ate into those earnings at the same time the current hiring dynamic is starting to turn to a more employer-favored marketplace. Grant Thornton's [recent CFO survey](#) also shows finance officers are in a cost-saving mode, further limiting the ability to adjust pay.

"We hear about some of these challenges and compensation and benefits, and it's exacerbated now by inflation. So, it's becoming harder to keep competitive," said Belden. Companies that need to distinguish themselves from their competition must continuously evaluate their benefits and compensation packages to ensure they are competitive.

In times of financial constraints, Ranzau said, there are other levers employers can use to address workplace features that employees value, such as their work schedule, job content and how and where work is done. Employers should recognize, though, that at lower salary thresholds, trade-offs that minimize compensation in favor of other incentives may be less desirable. This offers organizations the opportunity to address compensation challenges where they will have the most impact and meaning in retaining critical talent.

One interesting finding is that only 10% of workers have a concern about being laid off in the next year, even though ensuring job security is ranked highly as a motivator to stay at a position. Our survey also found that 25% percent of workers have a second job outside of their primary employment and an additional 37% of respondents are considering a second job. Belden said having more people earning or considering a second income is a result of rising costs and inflation. As this trend continues, it will be a contributor to overall wellness and quality of work. While some industries and roles might lend themselves to the attainment of a second role more easily than others, this is an area to carefully watch, as a second job can quickly be a contributor to declining wellness and burnout.

To relieve stress, burnout and talent loss, companies need to adopt informed and purposeful strategies. By taking a deep dive into the strategic objectives of the organization or department, company leaders can learn what is critical, what can be eliminated and what can be placed on hold. Companies should look at their operating model, determine where they can achieve greater efficiencies, leverage technology and implement improvements. They can also probe other ways to relieve stress by asking:

- How are roles and responsibilities allocated and distributed, and what is the impact to employees during times of shortages?
- How often do managers check in with their people to see how they are experiencing the stress of work and life?
- What types of work-based forums are available to discuss stressors and brainstorm solutions in a comfortable and safe environment?

"We're no longer in career ladders. We're in career lattices, meaning that people may move diagonally, they may move horizontally in addition to moving up in a career progression"

Joe Ranzau

Managing Director, Growth Advisory Services, Grant Thornton Advisors LLC

Investing in skills

After compensation, advancement opportunities were cited as a primary reason that people join, stay or leave jobs. Upskilling your workforce is taking on added importance because companies need to bring in people who have skills adaptable to future needs, such as when technology changes affect operations or when market conditions require new goals and, consequently, new skill sets from workers. Furthermore, AI is changing roles at a faster pace than companies can acquire them. Some of the 28% of workers who say their jobs will be changed or eliminated by AI may be put more at ease if they have a full understanding of how to take advantage of the technology and use it to improve their performance.

Many company leaders are encouraging their workers to experiment with technology while establishing guardrails for internal AI platforms to mitigate risk. Everybody benefits when employees experiment and collaborate with one another on how to safely and successfully use AI in their work. Leadership can play a vital role in sharing AI use cases to effectively convey outcomes and further opportunities.

While leaders play a significant role, employees should invest in identifying where the use of AI can streamline their work and support additional strategic tasks to broaden their career development and impact as AI skills take on new significance.

A photograph of two men in a modern office setting. The man on the left, wearing glasses and a dark jacket, is seated and gesturing with his hands while speaking. The man on the right, seen from the back, is also seated and listening. They are in a room with large windows overlooking a city. The ceiling has recessed lights, and there are some plants and a small table in the background. The overall tone is professional and collaborative.

Paths to engagement

AI use in the workplace

● Completely agree or agree ● Neither agree nor disagree ● Completely disagree or disagree

I am concerned that my job will be reduced/replaced by AI in the next 12 months.



My organization has incorporated AI processes into my work in the past 12 months.



My organization is planning to increase its use of AI in the next 12 months.



Our current technology tools allow me to maximize my work output and overall efficiency.



I understand and utilize AI in my current role.



AI promises to help — eventually

The introduction and increasing use of AI in business operations is a factor clearly seen in our survey. As detailed in our [recent survey of HR leaders](#), AI use is becoming ubiquitous in HR tasks that include potential hiring evaluations, performance management, building training courses and writing job descriptions. Despite AI and other forms of automation being a prime focus of improving business operations, our survey shows that long hours remain a significant challenge for workers. Incorporating automation won't only alleviate mundane tasks. Through the use of task monitors, AI can help workers learn more about how they work by measuring multitasking and providing insights on how to use time more effectively.

“Automation often is not an immediate fix because it takes a considerable amount of time to integrate automated processes into company operations,” said Jen Morelli, Grant Thornton Growth Advisory Services Principal. “Like any

other transformation, the adoption of AI and automation will require a dedicated effort to bring people along the journey to adopt necessary behavior and mindset changes for success and realization of intended value.

“We need to acknowledge that there’s a push and pull to this, and it’s going to take time to drive the efficiency and see the sustainable benefit payoff in it,” added Morelli. As our [recent CFO survey](#) revealed, nearly two-thirds (66%) of finance leaders expect to increase their spending on IT and digital transformation in the next year. For the fourth straight quarter, the top area identified for potential cost cuts was human capital expenses related to employee headcount and compensation levels, which was identified by 42% of respondents. But workforce rationalization was at an all-time low in CFOs’ areas of focus after a huge drop from the previous quarter, and the percentage of respondents predicting potential layoffs fell to a five-quarter low.

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Jennifer Morelli

Principal, Growth Advisory Services, Grant Thornton Advisors LLC

One-on-one connections

Earlier, poor communication was identified as a particularly common stressor. While more communication is an obvious answer, how that communication happens is just as critical. There is no substitute for one-on-one conversations between employees and their managers, who have a direct view into the emotions, strains and concerns of their employees.

“It’s about empathy and compassion,” Belden said. “Leaders need to be a bit uncomfortable in asking questions that get to the heart of what an employee is concerned about, personally and professionally, because we know they are intertwined. Leaders are not traditionally trained to ‘get personal,’ although we know that this connection is more critical now.” Even starting meetings with a set focus on asking how everyone is, which was common during the pandemic, can go a long way toward improving communication.

Today’s leaders are tackling new workforce habits, trends and desires. Embracing employees’ needs to feel heard, safe and supported to bring their “whole self to work” will give them confidence that the organization and their leaders care about their experience and how it can be improved, Morelli said.

Strengthening career possibilities

There is a relatively strong pool of candidates in the market for open positions, and organizations that move from pure experienced-based hiring to skills-based models will achieve greater candidate flow and diversity. This approach will not only help fill new open positions but should be applied to internal resources as companies look to provide career advancement and mobility as a method of retention.

There is no doubt that AI is a significant tool that is being leveraged to scan and screen for skills, and this is one of the primary areas where HR leaders have applied AI. This mutability of skills can also be useful in another model that ensures job retention — job rotation and leadership programs. Forward-looking companies are implementing a model where company employees are rotated into different jobs periodically. This can serve to identify talent within a company and also serve as a critical component of succession planning if leadership training is also provided.

“I was at a company where [job rotations] helped them develop leaders,” Morelli said. “When people understood the different areas of the organization, how they interacted to help the organization thrive, and were able to develop strong leadership skills, not just functional expertise, they were better prepared to lead.”

“We’re no longer in career ladders. We’re in career lattices,” added Ranzau, “meaning that people may move diagonally, they may move horizontally in addition to moving up in a career progression.”

A challenge for company leaders

Addressing workforce shortages is just one way that leaders can empower their people to deliver on organizational goals. Other opportunities include:

- Acknowledging the mental health and wellness challenge and engaging in a deeper understanding. There is no easy solution, though, and the progress over time will need to be measured.
- Recognizing the pressures placed on employees related to financial, political and socioeconomic concerns and creating a safe place to engage and discuss.
- Supporting leaders in navigating the challenges and recognizing that much of this requires individual interaction and a dose of empathy.
- Championing communications that support transparency and a sense of connection for employees to the organization.

Among the many open-ended survey responses received for a question asking what their organization could do to improve their experience, one response succinctly captured the findings of this year's survey:

"My organization is understaffed in several areas. This is causing me to work longer hours, and even when I'm home I'm still working. Hiring more qualified staff would be a great burden off my shoulders."

American workers know what they need to succeed in their jobs. Can American companies deliver?

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