

Annual Industry Insights Report 2024

Foreword

It is with great pride that we present the inaugural Annual Industry Insights Report from the Association for Business Psychology (ABP). This report represents a significant step in fulfilling our mission to be “the home and voice of Business Psychology in the UK”, reflecting as it does our desire to provide thought leadership worth sharing.

The creation of this report involved extensive data gathering from a broad range of stakeholders, including business leaders, practitioners, and academics. Their diverse and distinct expertise allowed us to collect valuable insights into the current state of our industry. As a result, this report not only promotes our field but also demonstrates the value of Business Psychology services and informs best practices within our community.

This initiative also reflects our values of inclusivity, accessibility, and the promotion of best practices. By making this information freely available and easy to understand, we ensure that these insights are accessible to everyone. So we are especially excited about the potential of this report to foster ongoing dialogue in our community and beyond.

The ABP is indebted to Ben Williams and Himanshi Naredi who have invested significant time and effort in this project. As well as many other thought leaders and Management Board Members who have helped shape this report.

We would especially like to thank all who made the most essential contribution to this report by responding to our survey and sharing their perspectives and experiences. We invite you to engage with the findings, share your perspectives, and join us in shaping the future of Business Psychology.



Clodagh O'Reilly
ABP Chair 2023-24



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Executive Summary

The Association for Business Psychology is proud to present its inaugural Annual Industry Insights Report, a culmination of extensive data gathering from a broad range of stakeholders, including business leaders, practitioners, and academics. This report aims to promote the field of Business Psychology, demonstrating its value and informing best practices within the community. Here, we summarise the key findings from each section of the report.

Selection and Assessment

1. **Skills-Based Hiring:** Emphasised over traditional experience-based hiring to enhance diversity and inclusion. 60% of respondents anticipate partial adoption within their organisations.
2. **DE&I Prioritisation:** Despite recognition, diversity, equity, and inclusion (DE&I) efforts are often deprioritised, overshadowed by short-term goals. Business Psychologists can play a crucial role in integrating DE&I into organisational strategy.
3. **Talent Drought:** The talent landscape shows significant concerns about the scarcity of skilled candidates, with 68% rating the impact as moderate to very significant. Diverse recruitment sources and innovative strategies are necessary to mitigate this challenge.

Strategy and Organisational Effectiveness

1. **Adaptive Leadership:** Moderately present in organisations, with 56% prioritising training. Challenges include lack of role models and support for continuous learning. Business Psychologists can coach leaders and foster a culture of adaptability.
2. **Hybrid Work Strategy:** Effective long-term strategies include clear communication channels and adapting organisational structures. Business Psychologists can support leadership through coaching and communication strategies.
3. **Remote Leadership:** Effective for 74% of leaders but challenges remain in maintaining team morale and communication. Training programmes focusing on remote management skills are essential.
4. **Supporting First-Time Workforce Entrants:** Organisations face challenges with high expectations and work-life balance demands from new entrants. Strategies like mentorship programmes and digital platforms for feedback are recommended.

Learning and Development

1. **Manager Training:** Significant gaps exist, with 62% of respondents indicating ineffective training. Emphasis on performance management, change management, and emotional intelligence is crucial.
2. **Digital Skill Development:** Mixed perceptions of current digital skills highlight the need for targeted skill-building in data analysis, cybersecurity, and generative AI.
3. **Non-Traditional Career Paths:** Flexible work arrangements and horizontal career development are gaining importance. Organisations should reassess talent management strategies to support diverse career journeys.

Behavioural Science

1. **Nudge Theory:** Awareness is high but implementation is low. Effective strategies include choice architecture and personalised interventions to guide positive behaviour.

Human Motivation and Wellbeing

1. **Employee Stress:** High workload and poor work-life balance are primary stressors. Minimal financial resources are allocated to stress reduction. Business Psychologists can implement task management and automation tools to alleviate stress.
2. **Digital Overload:** Email volume and unnecessary meetings are significant contributors. Clear communication norms and boundaries are essential.

Artificial Intelligence (AI)

1. **AI Adoption:** Most organisations are in the experimentation phase with AI. Concerns about data security, ethical considerations, and job displacement need addressing. Business Psychologists can facilitate responsible AI integration and address ethical dilemmas.

Future Challenges and Opportunities

- **AI and Technology Integration:** Redefining job roles and reskilling employees are critical as AI becomes more prevalent.
- **Employee Wellbeing and Mental Health:** Promoting psychologically safe workplaces and addressing work-life balance are paramount.
- **Leadership Development:** Supporting leaders to navigate organisational change and optimising remote and hybrid work models.
- **Adaptation and Agility:** Fostering adaptability to navigate ongoing change and enhance leadership skills.

Conclusion

This executive summary provides an overview of the main findings from the Annual Industry Insights Report and underscores the value of Business Psychology in navigating contemporary workplace challenges. Business Psychologists are essential in promoting DE&I, supporting adaptive leadership, mitigating employee stress, and facilitating AI adoption.



Introduction

The value of Business Psychology lies in enhancing the dynamics of the workplace, intertwining the science of human behaviour with practical experiences to foster sustainable performance, for individuals, teams and organisations. The Association for Business Psychology (ABP), a non-profit organisation that serves as both the advocate and nurturing ground for Business Psychologists, takes the lead in championing this discipline in the UK.

Operating as the “home and voice for business psychology,” the ABP holds a dual mandate. Firstly, it serves as the “voice” by demonstrating and advocating for recognition of the value of Business Psychology in the professional landscape. Secondly, it serves as the “home” for Business Psychologists, providing them with a platform to demonstrate and refine their craft in real-world contexts.

By setting and upholding high standards for education and practice, the ABP ensures that excellence is reflected in the field of Business Psychology. Moreover, it offers educational resources that align with these standards, empowering Business Psychologists to continually enhance their skills and stay abreast of industry developments.

In this report, the term “Business Psychologist” is used broadly to encompass professionals who apply evidence-based psychological principles within the workplace. When we refer to “Business Psychology”, we are addressing the broad field that explores the psychology of people at work. This discipline shares commonalities with related fields such as work psychology, organisational psychology, industrial psychology, and occupational psychology.

This report was created after collecting insights from diverse stakeholders, including Business Psychologists, business leaders, human resources professionals and academics. The report aims to distil insights into a comprehensive understanding of the current trends and challenges within the Business Psychology industry. As the world of work undergoes profound transformations such as AI adoption and flexible work arrangements, it becomes increasingly imperative to adopt a forward-thinking approach. This report equips organisations with the foresight needed to navigate these changes adeptly.

So: explore our findings to uncover how Business Psychology can explain and improve the future of work!



Research Methods

First we analysed a range of business, academic and membership body surveys and research to gain a comprehensive view of current trends that were impacting organisations. (See [“References” in Appendix.](#)) This allowed us to identify topics that warranted further exploration.

The project team selected topics deemed most relevant to the realm of business psychology for our research. These areas include the five primary categories of practice, outlined in the ABP practitioner certification framework, namely (1) Selection and Assessment, (2) Strategy and Organisational Effectiveness, (3) Learning and Development, (4) Behavioural Science and (5) Motivation and Wellbeing. Additionally, we incorporated emerging areas of interest such as Artificial Intelligence (AI) to increase the relevance and scope of the discussion.

The formulation of survey questions underwent an iterative process. Initially, questions were crafted based on trend data. Subsequently, we solicited feedback from subject matter experts and ABP board members to refine and finalise the questionnaire.

The survey was circulated to our members and non-member participants from 1st March 2024 to 7th April 2024, yielding a total of 513 respondents. Participants represented diverse organisations coming from both private and public sectors and brought with them varying levels of experience. For a detailed breakdown of participant demographics, please refer to the Appendix at the end of this report.

Research Themes

To help you navigate this comprehensive report, we have summarised the key questions posed in the survey for each section. You can click on any question below to be taken directly to the relevant section of the report.

1. Selection and Assessment

- What is skills-based hiring, and is it becoming the primary approach in talent acquisition?
- Is DE&I a priority in recruitment, and how can Business Psychologists contribute to enhancing DE&I efforts?
- How has the talent drought impacted recruitment, and where do organisations primarily source talent?

2. Strategy and Organisational Effectiveness

- How adaptive is contemporary leadership, and how can Business Psychologists aid its enhancement?
- How are organisations embracing long-term hybrid work, and how can Business Psychologists add value to the transition?
- In what ways are organisations enhancing remote leadership, and how can Business Psychologists contribute to embracing it?
- How do organisations support and engage first-time entrants into the workforce amidst its challenges and benefits?

3. Learning and Development

- How do organisations address ineffective manager training?
- What are the perceptions on digital skill development and how can Business Psychologists add value to this?
- How do organisations adapt talent management strategies to support non-traditional career paths?

4. Behavioural Science

- How do organisations utilise Nudge theory, and what strategies are most effective?

5. Human Motivation and Wellbeing

- What fuels employee stress, how are organisational budgets allocated to tackle this, and where can Business Psychologists add value?
- How can organisations combat digital overload, and what role can Business Psychologists play in alleviating its effects?

6. Artificial Intelligence

- What is the current state of AI adoption within organisations?
- What factors are limiting AI adoption, and what are its implications for Business Psychology?



1. Selection and Assessment

1.1 Skills based hiring

Our survey builds upon the ongoing trend of skills-based hiring, as highlighted in previous research. This approach, championed by companies like Google and Accenture, prioritises skills over traditional degree requirements to broaden the talent pool.¹ A recent report by Deloitte (2022) indicated that approximately a quarter of organisations are currently disrupting workforce and talent structures to align them with skills-based hiring.² Qualitative responses gathered from our survey underscore that skills-based hiring is defined as having a focus on skills and is a shift away from experienced-based hiring. Further, there was a recurring emphasis on;

- The pivotal role of suitable assessment methodologies in effectively discerning pertinent skills. One of the quotes provided in the survey said:

“Skills-based hiring is a method of recruiting that places greater emphasis on the unique skills and capabilities of candidates rather than conventional criteria such as education, job titles, or tenure. In this approach, employers pinpoint the specific skills essential for a given role and evaluate candidates based on their proficiency in those particular skills.”

- Skills-based hiring as a mechanism for enhancing inclusion within talent acquisition and recruitment processes.

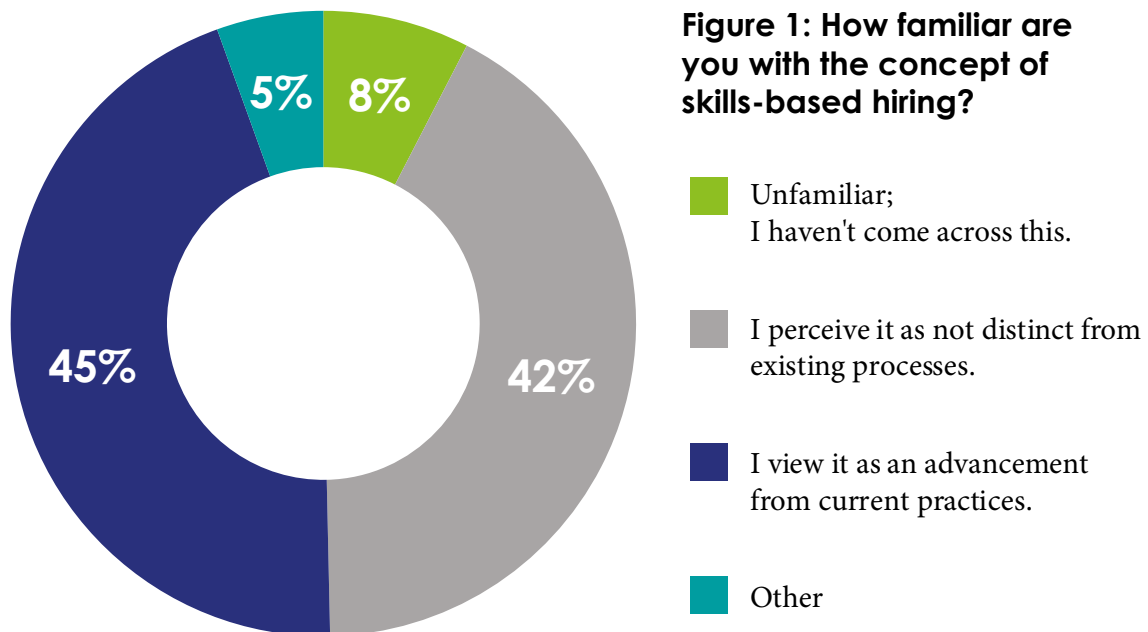
Quote from survey:

“It is a means of increasing inclusion, if you have enough data to fairly assess people without using generic measures such as levels of qualification.”

- Another respondent highlighted the potential for piloting skills-based hiring in specific roles:

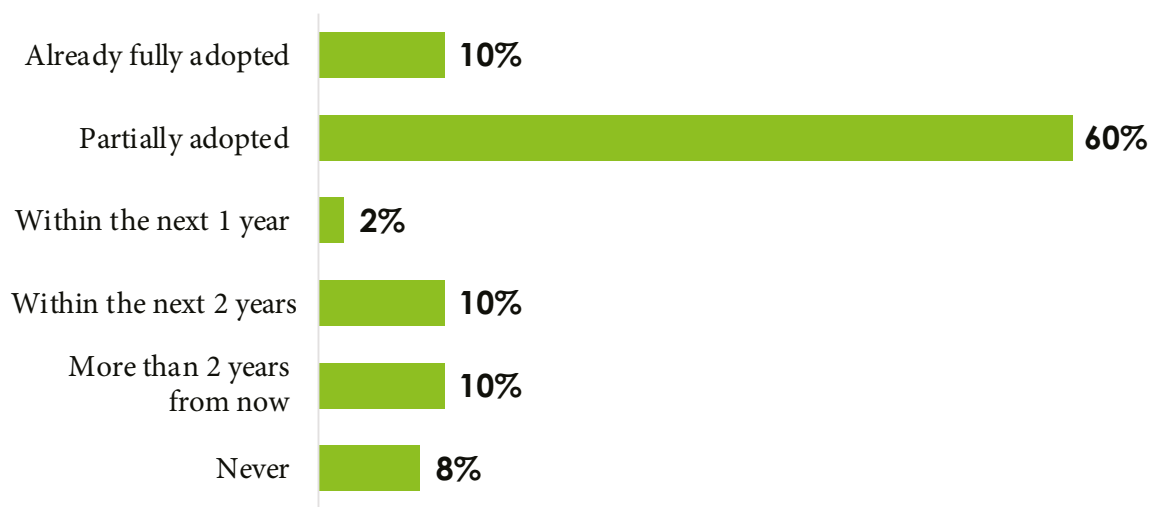
“I’ve started to read more about this and would like to explore opportunities to pilot this with some of our engineering and technical roles who typically rely heavily on university achievements/grades.”

Quantitative data indicates a positive perception of skills-based hiring, with 45% respondents seeing it as an advancement from current (CV and experience-based) practices (Figure 1).



Additionally, 60% anticipate partial adoption within their organisations, mirroring the gradual shift towards this approach in talent acquisition strategies (Figure 2). This reflects a broader industry movement towards leveraging diverse skill sets.

Figure 2: Do you expect your organisation/clients to adopt skills-based hiring as the primary approach to talent acquisition and, if so, when?



Recommendations: Skills-based hiring

Implications of the survey results on skills-based hiring suggest a need for a strategic shift in focus towards refining assessment methodologies and fostering inclusivity within talent acquisition processes. Business Psychologists could prioritise developing or enhancing assessment tools, such as practical tests and simulations, to effectively evaluate candidates' pertinent skills. Moreover, they could advocate for the adoption of skills-based hiring as a means to enhance diversity and inclusion within organisations, emphasising the importance of fair assessment methods that go beyond traditional qualifications. This shift in focus aligns with the evolving landscape of talent acquisition, where prioritising skills over experience becomes paramount in identifying top talent.

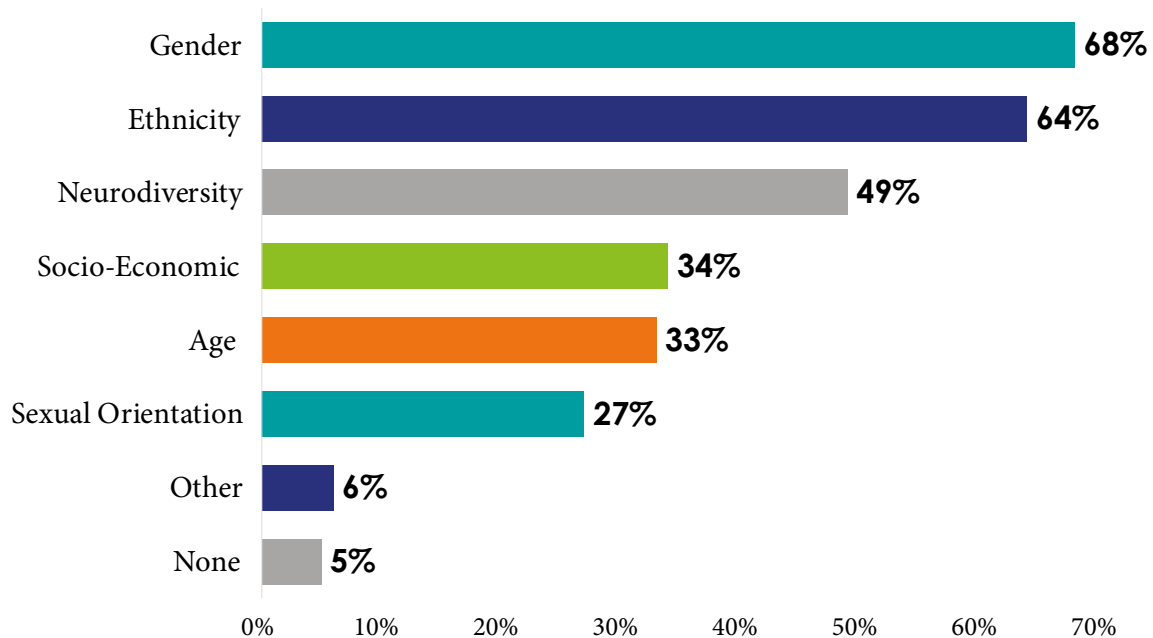
These insights highlight the importance of adapting talent acquisition strategies to align with the emerging trend of skills-based hiring. Organisations could re-evaluate their recruitment processes to place greater emphasis on assessing candidates' skills rather than relying solely on qualifications or experience. This could involve exploring new assessment methodologies and redefining job requirements to focus on specific skill sets essential for each role. By embracing skills-based hiring, organisations could broaden their talent pool, enhance inclusivity, and stay competitive in attracting top talent with diverse skill sets. Additionally, gradual adoption of this approach reflects a broader industry movement towards leveraging the unique capabilities of candidates, signalling the need for organisations to evolve their recruitment practices to remain agile and responsive to changing market demands.

1.2 De-prioritisation of Diversity, Equity & Inclusion (DE&I) in recruitment

Previous research uncovered a growing tendency among organisations to de-prioritise DE&I efforts in their recruitment strategies. Previous studies revealed that nearly half of industry leaders and C-Suite executives consider DE&I a minimal or limited priority.³

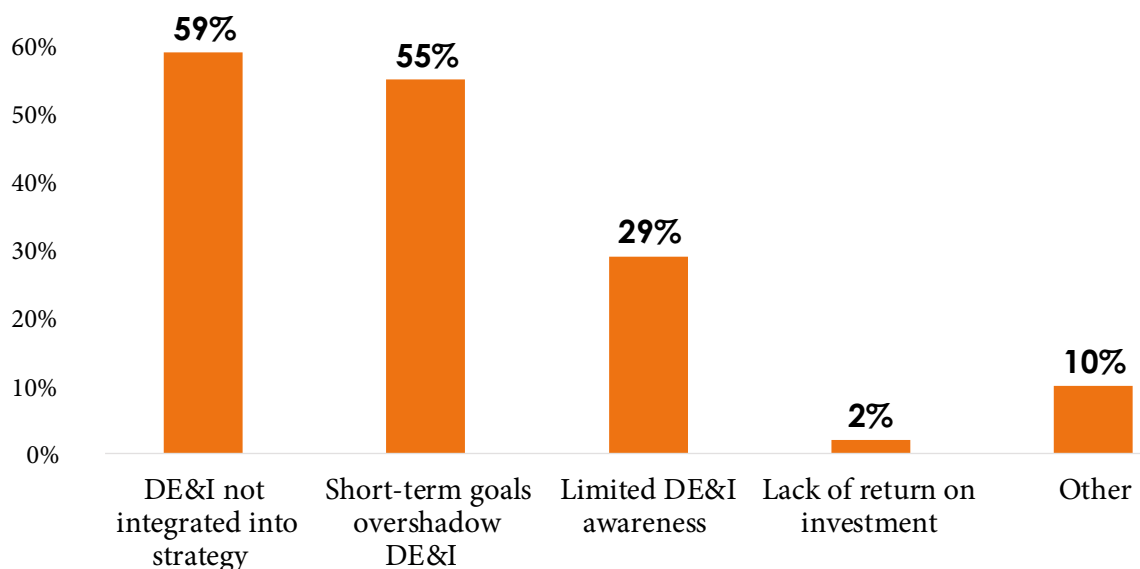
Further the survey results indicated variations in emphasis across different dimensions of diversity. Gender (68%) and ethnicity (64%) received higher attention compared to age, sexual orientation, and neurodiversity (Figure 3). For the purposes of the survey we allowed respondents to self-define what these DE&I areas included.

Figure 3: Which of the following DE&I areas does your organisation/client see as a priority within recruitment?



Regarding factors contributing to DE&I initiatives competing with other priorities, respondents cited DE&I not being integrated into overall strategy (59%) and overshadowed by short-term goals (55%) as primary challenges (Figure 4).

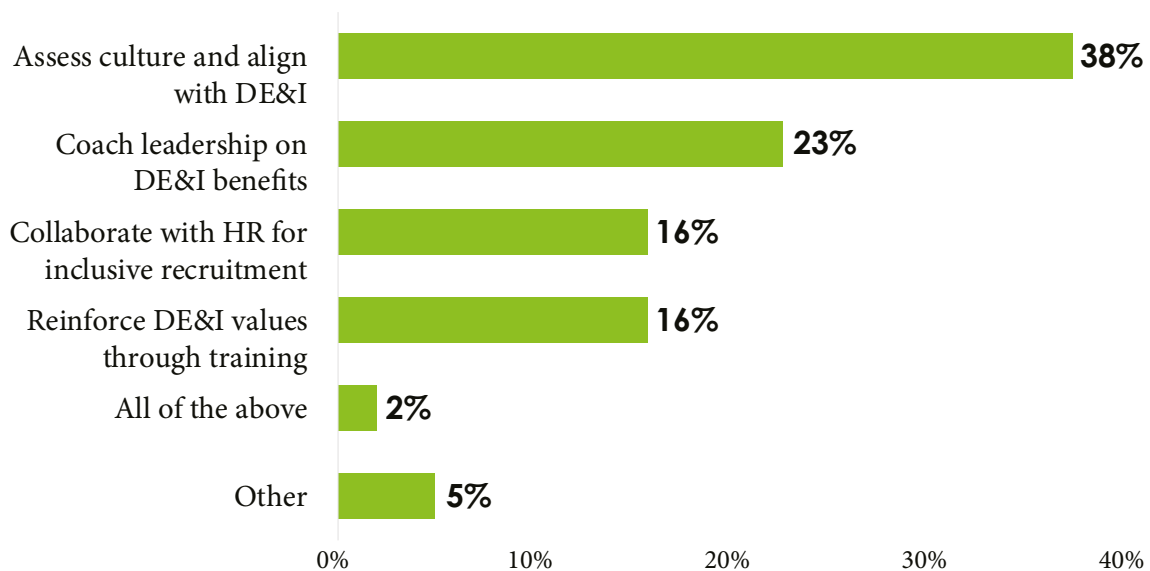
Figure 4: What factors contribute to DE&I initiatives competing with other organisational priorities in your experience?



Lastly, our survey identified opportunities for Business Psychologists to enhance DE&I efforts. Assessing culture to align it with DE&I initiatives (38%) and coaching leadership on DE&I benefits (23%) were highlighted as key areas where Business Psychologists could add value (Figure 5). One respondent emphasised the importance of inclusive processes and tools:

“[Business Psychologists could] offer insight and advice on how to create processes and tools that are more inclusive and assess existing approaches for adverse impact and provide advice for change.”

Figure 5: In which area could Business Psychologists add most value to your organisation's/client's DE&I efforts?



Recommendations - DE&I de-prioritisation

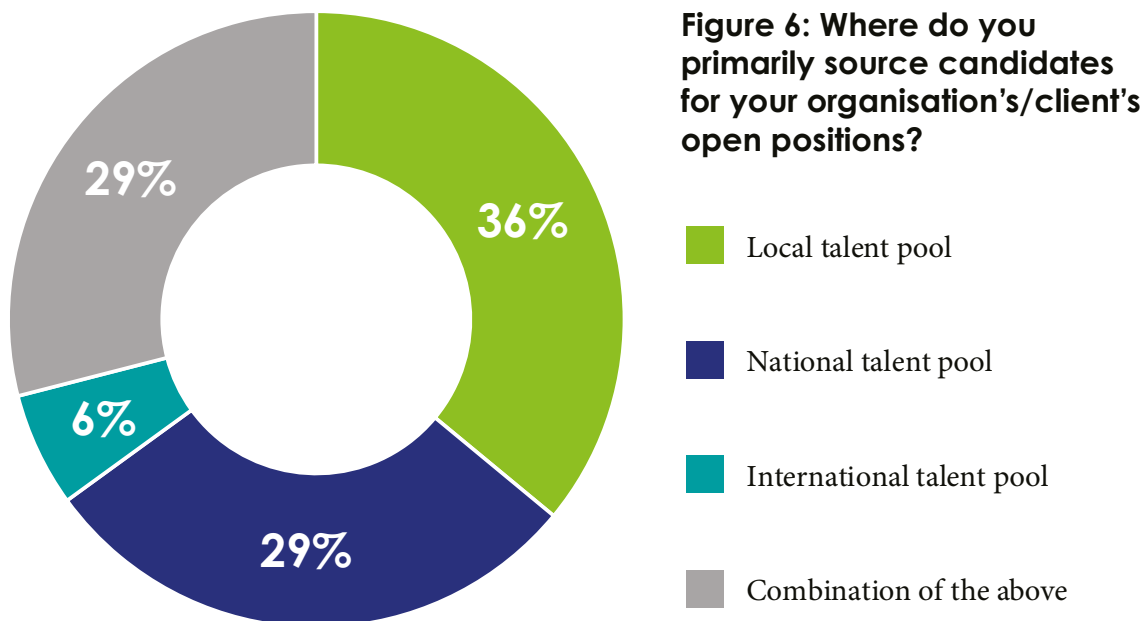
The survey results indicate a growing trend of organisations de-prioritising DE&I in recruitment, necessitating a recalibration of focus. Business Psychologists could address this by prioritising DE&I interventions, especially in underrepresented areas beyond gender and ethnicity. The lack of integration of DE&I into overall strategy and its overshadowing by short-term goals highlight key areas for intervention. Aligning DE&I initiatives with organisational strategy and fostering long-term commitment are crucial steps.

Nearly half of industry leaders consider DE&I a minimal priority, underscoring the need for organisations to reassess their recruitment strategies and workplace culture. The variations in emphasis on different dimensions of diversity and the unique challenges faced by intersectional individuals call for a broader DE&I focus. Integrating DE&I into long-term strategic planning and addressing these challenges could help create more inclusive recruitment practices and environments where diversity thrives.

1.3 Talent drought

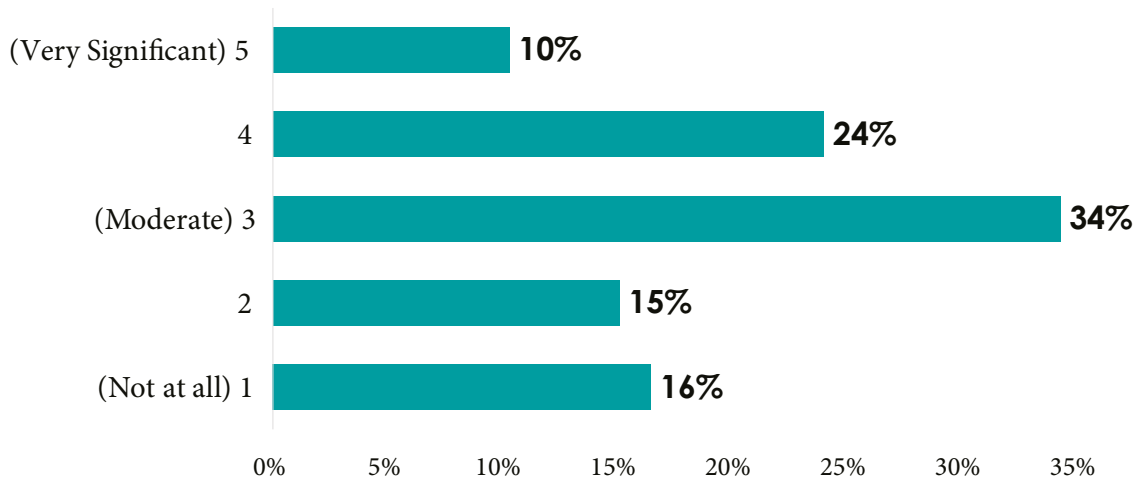
The talent landscape is undergoing significant shifts, as evidenced by previous research indicating concerns among hiring managers about a potential talent drought. Previous findings highlighted that 93% of hiring managers are apprehensive about the looming scarcity of skilled candidates, attributing this concern to demographic shifts such as an ageing population and reduced availability of European workers.³

Our survey examined this trend more closely, by exploring primary sources for recruiting candidates. Results indicated a varied approach, with 36% of organisations relying on the local talent pool, 29% on the national pool, and only 6% tapping into the international talent market. Additionally, 29% opted for a combination of these sources (Figure 6), reflecting a diversified strategy likely influenced by the widening talent gap.



Furthermore, the survey assessed the impact of the talent drought on recruitment efforts. A significant proportion of respondents acknowledged the challenge, with 68% rating the impact as moderate to very significant (Figure 7). This aligns with previous research, which indicated that 79% of hiring managers anticipate reduced talent attraction budgets for 2024³, potentially exacerbating the difficulty of sourcing qualified candidates.

Figure 7: What level of impact has the talent drought had on your organisation's/client's ability to recruit qualified candidates?



Recommendations: Talent drought

The survey results highlight concerns about a talent drought, which could prompt a strategic shift in work focus. Recognising the significant shifts in the talent landscape, Business Psychologists could prioritise interventions aimed at mitigating the impact of the talent shortage on organisations' recruitment efforts. Understanding the varied approaches to sourcing candidates, including reliance on local, national, and international talent pools, could inform Business Psychologists' strategies in assisting organisations in diversifying their recruitment sources. Moreover, acknowledging the impact of the talent drought on recruitment efforts, with a significant proportion of respondents rating it as moderate to very significant, Business Psychologists could focus on developing innovative recruitment and retention strategies tailored to address the evolving talent landscape. Collaborating with organisations to identify and leverage alternative talent sources while addressing budget constraints could be essential in navigating the challenges posed by the talent drought.

The insights from the survey regarding talent drought could necessitate proactive measures to adapt to the changing talent landscape. With hiring managers expressing apprehension about the scarcity of skilled candidates, organisations could need to reassess their recruitment strategies and talent acquisition practices. Understanding the varied sources for recruiting candidates, as highlighted in the survey, could enable organisations to diversify their talent pipelines and tap into alternative sources beyond traditional avenues. Additionally, acknowledging the impact of the talent drought on recruitment efforts, including potential budget constraints, organisations could need to explore innovative approaches to attract and retain qualified talent. Embracing strategies that prioritise talent development and internal mobility while leveraging external expertise could be useful in navigating the challenges posed by the talent drought and ensuring long-term organisational success.

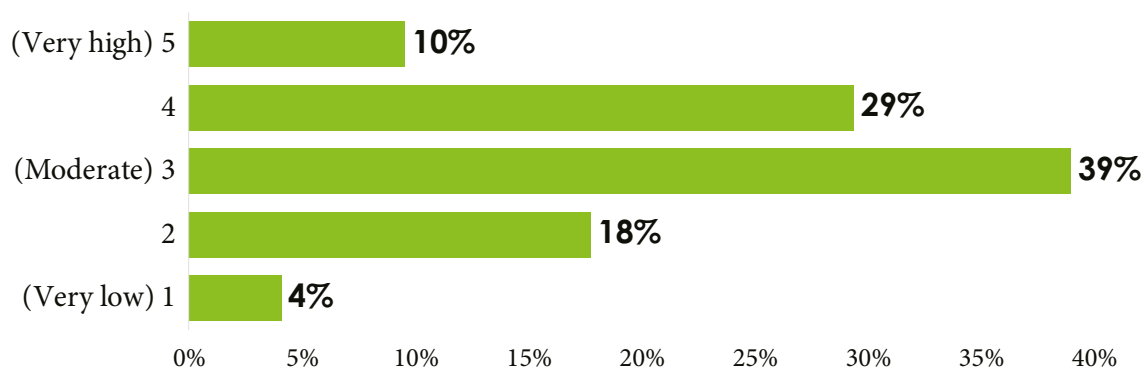
2. Strategy and Organisational Effectiveness

2.1 Adaptive leadership

Adaptive leadership, crucial for navigating dynamic environments, has received attention in both military and business contexts. Previous research highlights its significance in enabling quick decision-making and fostering adaptability amidst uncertainty.⁴

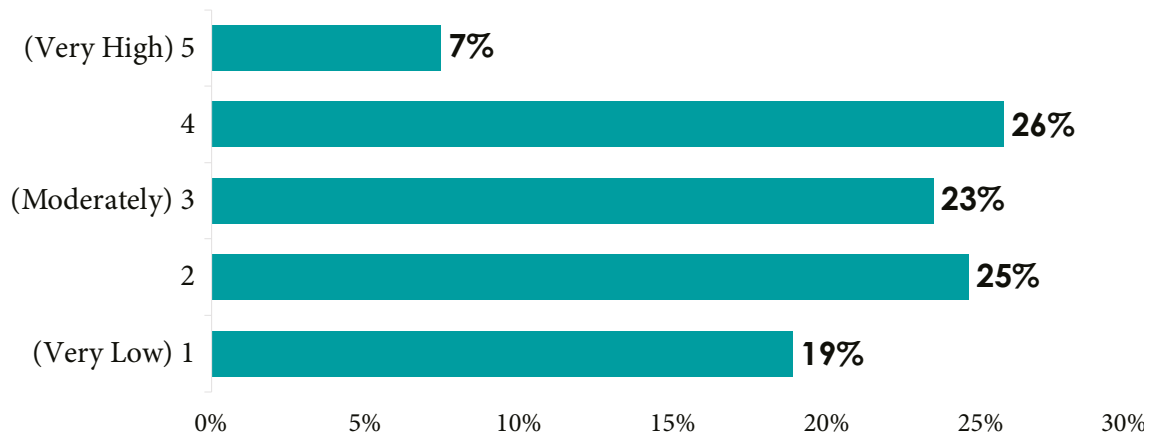
Our survey examined organisations' perceptions and practices related to adaptive leadership. Results indicate a moderate level of adaptive leadership within organisations, with 39% rating it as moderate and 29% as high (Figure 8).

Figure 8: How would you rate the level of adaptive leadership within your organisation, particularly in terms of embracing change, flexibility, and fostering a learning orientation?



Regarding investment in training and development for adaptive leadership, 56% responses indicated moderate to high prioritisation (Figure 9). This suggests a recognition of the importance of cultivating adaptive leadership skills, albeit with room for enhancement in investment efforts.

Figure 9: To what extent does your organisation/ client prioritise investing in training and development programs aimed at cultivating adaptive leadership skills among its leaders?



Challenges in implementing adaptive leadership practices are multifaceted, including lack of role models (34%), insufficient support for continuous learning (30%) and difficulty in navigating uncertainty (29%; Figure 10). One respondent highlighted the challenge of “*lack of action-oriented advocacy from senior leaders.*” Another respondent emphasised the gap between adaptive leadership discussions and actions: “*[Adaptive leadership] is talked about but that doesn’t convert to commitment to budget or adoption.*”

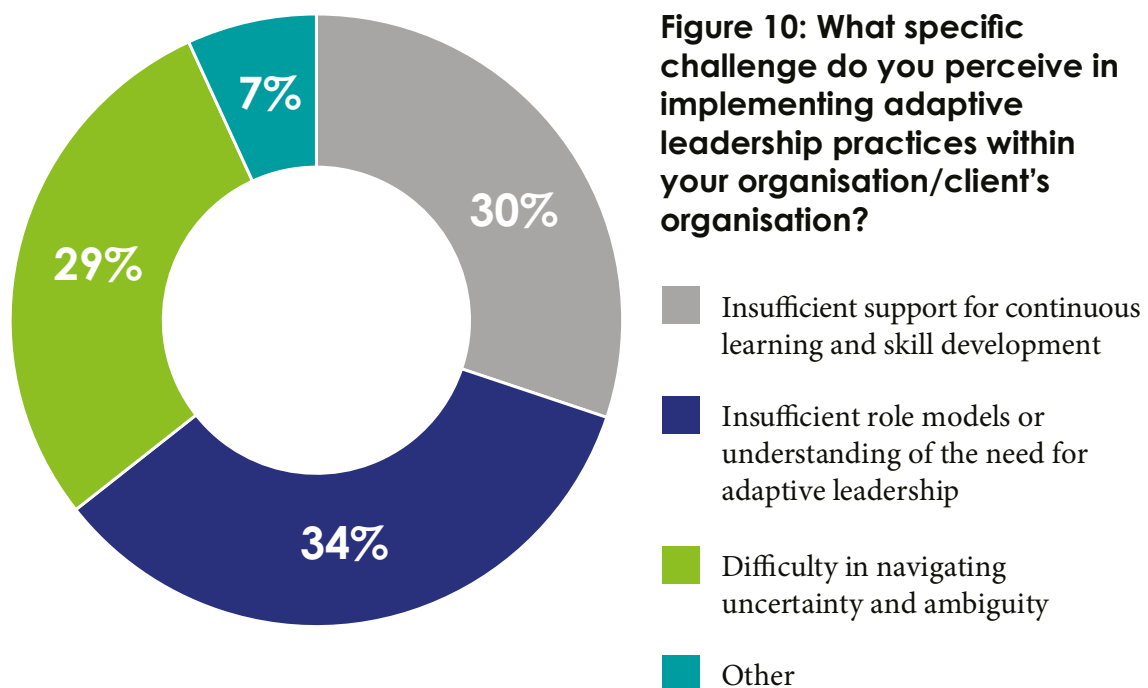
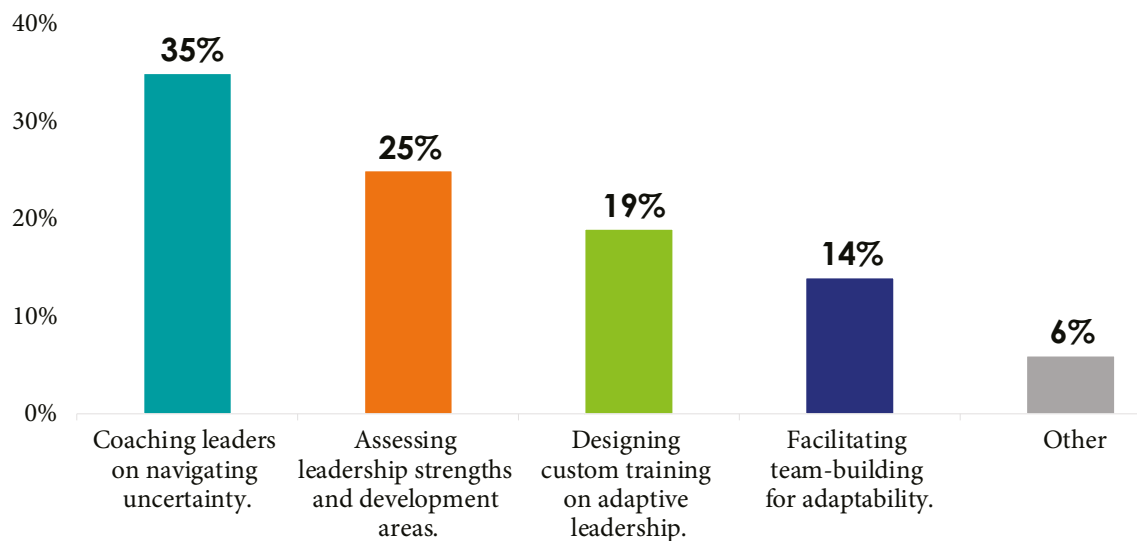


Figure 10: What specific challenge do you perceive in implementing adaptive leadership practices within your organisation/client's organisation?

Business Psychologists could play a pivotal role in fostering adaptive leadership. Survey respondents highlighted the most value for their contributions in coaching leaders on navigating uncertainty (35%) and assessing leadership strengths and development areas (25%) (Figure 11). Additionally, a respondent pointed out the need for testimonials from Business Psychologists: *“Sharing stories of what ‘good’ adaptive leadership looks like - many don’t know where to begin”*

Figure 11: How best can Business Psychologists add value to fostering adaptive leadership within organisations?



Recommendations: Adaptive Leadership

The survey results on adaptive leadership suggest a need to prioritise this area. Recognising its importance in dynamic environments, Business Psychologists could focus on enhancing adaptive leadership capabilities within organisations. Given the moderate level of current adaptive leadership, targeted training and development programs are crucial.

Addressing challenges such as the lack of role models and insufficient support for continuous learning could involve fostering a culture that values adaptability and provides necessary support for skill development. Business Psychologists could leverage their expertise to coach leaders on navigating uncertainty and assess leadership strengths and development areas, as highlighted by survey respondents.

The insights indicate the importance of investing in leadership development. Organisations might need to reassess their training initiatives to better address challenges like the lack of role models and support for continuous learning. By coaching leaders and assessing their strengths, Business Psychologists could develop a robust adaptive leadership framework, enabling organisations to thrive in dynamic environments. Embracing these insights can enhance strategic effectiveness and adaptability, contributing to long-term success.

2.2 Long term hybrid work strategy

Building upon previous research indicating the normalisation of hybrid work arrangements since mid-2022, where a significant majority of people settled into this mode, our survey adds quantitative depth to this trend. Whilst many Chief Executive Officers have mandated return to office five days a week¹¹, Chief Human Resource Officers from Fortune 500 companies expressed no intentions to decrease remote work flexibility in 2024, indicating a sustained shift in work dynamics.⁵

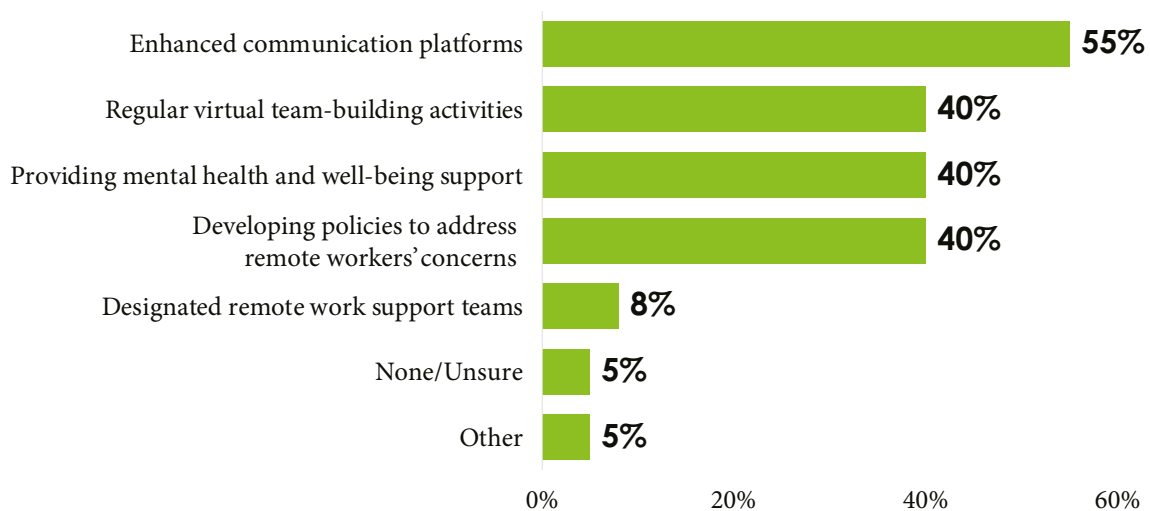
Delving into strategies for long-term effectiveness, our survey uncovered concrete measures adopted by organisations. Clear communication channels and protocols emerged as the most effective measure, with 38% of respondents highlighting its importance. Additionally, 34% emphasised the significance of assessing and adapting organisational structures and processes for hybrid work (Figure 12). These findings resonate with the imperative for leaders to optimise hybrid workplaces.

Figure 12: What is the most effective measure that your organisation/client has taken to ensure that its hybrid work strategy supports organisational effectiveness and productivity in the long term?



Addressing challenges associated with long-term hybrid work, our survey identified that enhanced communication platforms were favoured by 55% of respondents, while regular virtual team-building activities were chosen by 40%. Mental health and well-being support and developing policies to address concerns of remote workers gained similar attention at 40% (Figure 13). These statistics reflect the proactive approach organisations are taking to mitigate challenges and foster a cohesive hybrid work culture.

Figure 13: How does your organisation/client plan to address challenges associated with long-term hybrid work?



Qualitative data was gathered on how Business Psychologists could best support transitions back into the office. Themes highlighted the need for:

- Understanding and addressing individual needs, such as anxieties, childcare concerns, and financial implications,
- Supporting leadership through coaching and effective communication strategies.

Quote from survey:

“Coaching leaders and managers to tailor their approach to individual needs and circumstances rather than being one size fits all.”

- Optimising hybrid work arrangements by facilitating communication, enhancing productivity, and addressing remote work skills.
- Assisting organisations in managing resistance and fostering adaptability throughout the change and transition process.

One respondent emphasised the importance of *“measuring / monitoring employee preferences and sentiment regarding remote, hybrid, and office work environments. Using feedback to make continuous improvements and adjustments to better meet the needs of employees.”* This highlights the necessity of an ongoing feedback loop to ensure that hybrid work policies remain effective and adaptive to employee needs.

Another respondent highlighted the potential role of Business Psychologists in *“providing guidance/advice/facilitation to employers to manage this transitioning and subsequent developments/dynamics after that transitioning has happened to some extent.”* This underscores the need for expert support in navigating the complexities of hybrid work arrangements.

Recommendations: Long term hybrid work strategy

The survey results on long-term hybrid work strategies suggest a need to prioritise this area. Recognising the sustained shift towards hybrid work arrangements, Business Psychologists could focus on supporting organisations in optimising their strategies for long-term effectiveness. Key priorities include enhancing communication infrastructure to facilitate effective collaboration between remote and on-site teams. Additionally, addressing challenges associated with long-term hybrid work, such as mental health and well-being support, requires proactive interventions to foster a cohesive hybrid work culture.

Business Psychologists could also leverage their expertise to understand and address individual employee needs, support leadership through coaching and effective communication strategies, and optimise hybrid work arrangements to enhance productivity and remote work skills. Insights from the survey additionally highlight the importance of prioritising communication, adaptability, and proactive support. With Chief Human Resource Officers expressing no intention to decrease remote work flexibility, organisations may need to reassess their strategies for long-term effectiveness in hybrid work environments.

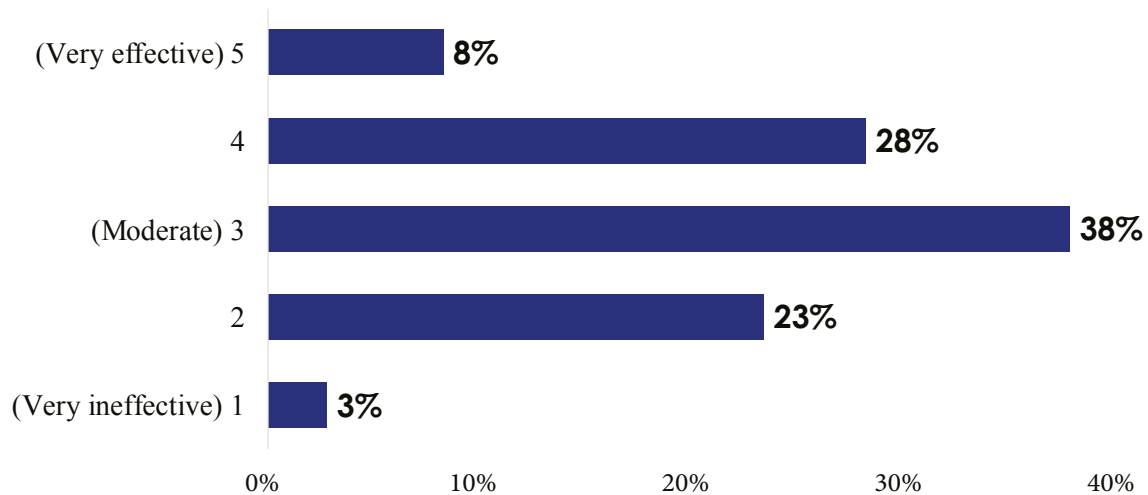
Prioritising clear communication channels and protocols, along with assessing and adapting organisational structures and processes, is essential in optimising hybrid workplaces. By leveraging their skills in understanding individual needs, supporting leadership, and facilitating change management, Business Psychologists could assist organisations in navigating the transition to long-term hybrid work effectively. This includes designing effective communication frameworks, implementing mental health support programs, and training leaders to manage hybrid teams, ultimately enhancing employee engagement and productivity. Embracing these insights enables organisations to enhance their strategic effectiveness and adaptability in the evolving work landscape.

2.3 Remote leadership

In line with recent findings indicating the increasing importance of remote leadership skills⁴, organisations are navigating a landscape where flexible work arrangements and hybrid models are prevalent. Leaders are leveraging advanced technologies and collaboration platforms to foster team cohesion across diverse geographical locations, emphasising effective communication and promoting a healthy work-life balance.⁴

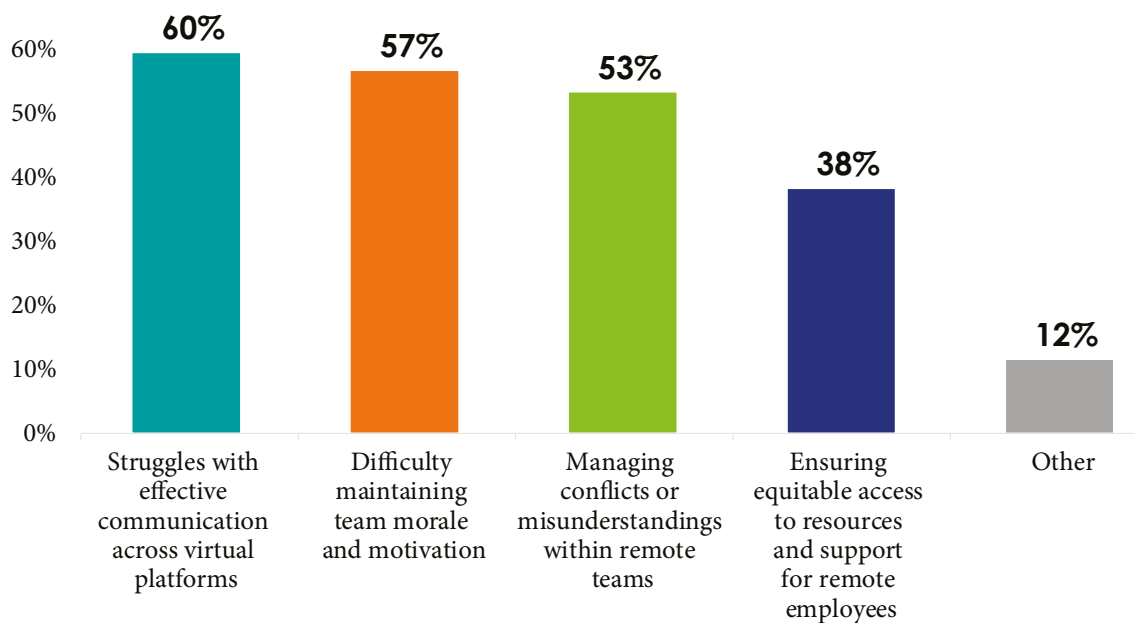
According to our survey, while 26% of respondents rated remote leadership as very ineffective or ineffective, 74% rated it as moderately effective or better (Figure 14). These findings suggest that a substantial portion of leaders find remote leadership practices effective, albeit with room for improvement.

Figure 14: How would you rate the current effectiveness of remote leadership within your organisation/ client's organisation?



Our survey revealed that 57% of leaders struggle with maintaining team morale and motivation, while 60% face challenges in effective communication across virtual platforms. Additionally, 53% encounter difficulties in managing conflicts or misunderstandings within remote teams (Figure 15), highlighting significant hurdles in remote leadership.

Figure 15: What challenges, if any, have leaders encountered in adapting to remote leadership?



Qualitative data was collected to investigate the challenges encountered by managers tasked with supervising teams operating in both remote and in-person work settings. The following themes emerged as the most important:

- **Communication and Relationship Building:** Respondents emphasised the importance of fostering meaningful connections, between both managers and team members and among individuals within the team, highlighting the need for additional communication efforts and skillful feedback conversations to build trust and rapport in remote and hybrid work settings.
- **Leadership Skills and Adaptability:** Respondents underscored the necessity for updated leadership training to match the evolving demands of the new work landscape, noting the importance of managers' ability to flex their approaches and convey empathy, compassion, and trust in managing teams across diverse work environments.

Quote from survey:

“Leadership training has not moved on in 30 years... we need a complete revamp in this area to match the new world of work.”

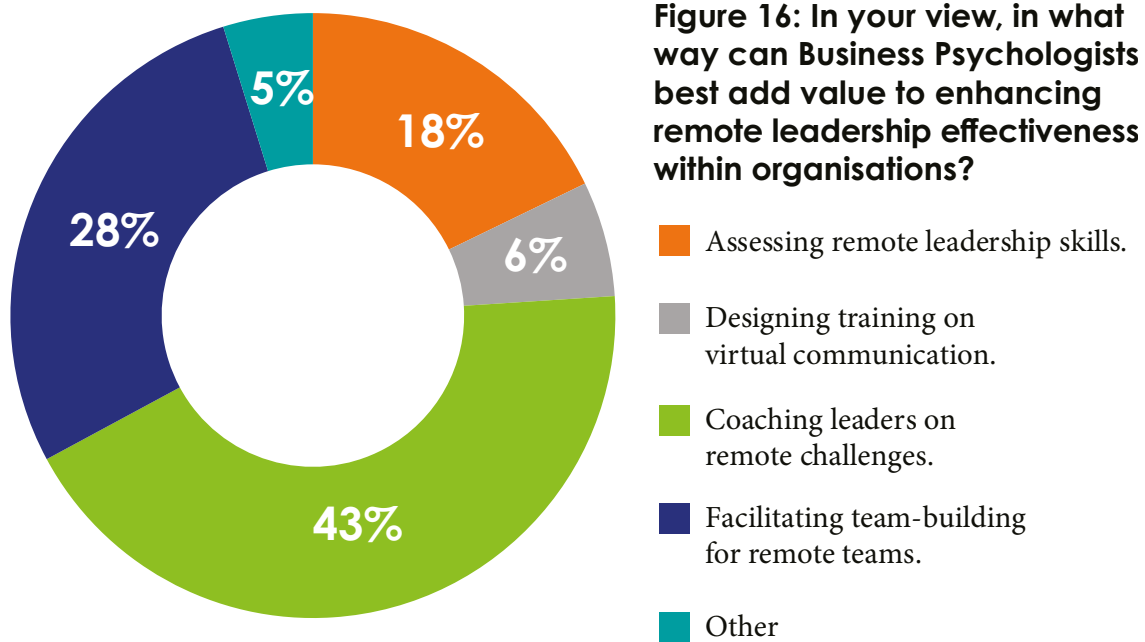
- **Equity and Inclusion:** Concerns were expressed about biases favouring in-office workers, highlighting the need for fair treatment and equitable opportunities for all team members, regardless of their location or work patterns, to mitigate the risks of “out of sight, out of mind” dynamics.

Another survey respondent highlighted the importance of

“helping those who are chiefly remote retain and build their social capital, avoiding biases relating to having people physically closer and more visible, when it comes to things like reward, recognition, work opportunities and promotion, ensuring everyone feels they are treated fairly and equitably, regardless of location or work patterns, communication, meetings management and timing.”

In addressing these challenges and enhancing remote leadership effectiveness, our survey found that 43% of respondents believe coaching leaders on remote challenges is paramount. Moreover, 28% emphasised the importance of facilitating team-building for remote teams (Figure 16), showcasing the value of psychological intervention in remote work environments. One survey respondent advocated for “coaching of leaders and non-leaders on remote challenges in a structural, long-term manner,” underscoring the importance of sustained support.

As organisations grapple with the complexities of remote work, the need for effective remote leadership is evident. By leveraging insights from our survey, organisations could strategically address challenges and cultivate a supportive remote work culture, driving success in virtual environments.



Recommendations - Remote Leadership

The survey results could inform how work is prioritised in this area. Recognising the increasing importance of remote leadership skills in the current landscape of flexible work arrangements, Business Psychologists could prioritise interventions aimed at supporting leaders in effectively managing remote teams. Understanding the challenges faced by leaders in maintaining team morale, communication, and conflict resolution within remote teams, Business Psychologists could focus on designing and delivering targeted coaching and training programs to enhance remote leadership effectiveness. Moreover, addressing qualitative data highlighting challenges related to communication, relationship building, leadership skills, adaptability, equity, and inclusion, Business Psychologists could tailor interventions to address these specific areas and support leaders in navigating the complexities of remote and hybrid work environments. By providing support in these areas, Business Psychologists could contribute to creating a supportive remote work culture that fosters collaboration, trust, and success in virtual environments. Addressing a lack of trust, as a survey respondent noted, may mitigate command-and-control behaviours, such as “*excessive meeting check-ins*” and “*mandatory office visits*.”

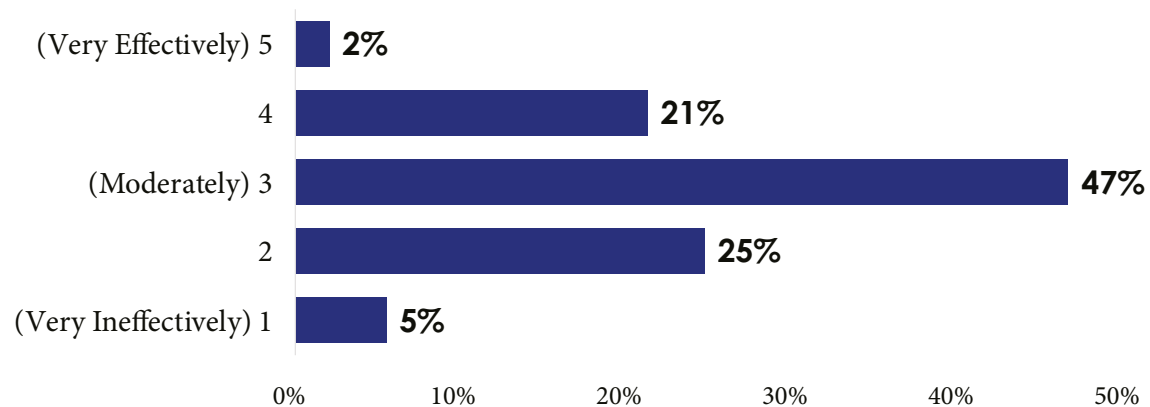
The insights could also underscore the importance of prioritising support for leaders in managing remote teams effectively. With a substantial portion of leaders finding remote leadership practices effective but still facing challenges, organisations could need to reassess their strategies for developing remote leadership skills. Prioritising coaching for leaders on remote challenges and facilitating team-building for remote teams could be essential in addressing these challenges and fostering a supportive remote work culture. By leveraging their skills in coaching, training, and facilitating, Business Psychologists could assist organisations in enhancing remote leadership effectiveness and driving success in virtual environments. Embracing these insights could enable organisations to adapt to the realities of remote work and cultivate a culture of collaboration and success in virtual settings.

2.4 Cohort of employees entering the workforce for the first time

According to previous research⁶, the arrival of first-time entrants signifies a significant generational shift, with implications for workplace dynamics and the employability skills required from students. This year marks the tipping point where the number of first-time entrants surpasses that of seasoned veterans within organisations. This transition heralds a demand for workplaces that embrace digital technology, foster transparent communication, and prioritise flexibility and meaning in work.⁶ Our survey examined how effectively organisations are meeting these expectations and the strategies they employ to engage and support first-time entrants into the workforce.

Our survey findings reveal that a majority of respondents (77%) perceive their organisations as addressing the needs and expectations of first-time entrants between moderate and very ineffective. However, it is noteworthy that only a marginal proportion (23%) perceive this effort as effective or very effective (Figure 17), suggesting room for improvement in aligning organisational practices with the expectations of those entering the workforce for the first time.

Figure 17: How effectively do you believe your organisation/client addresses the needs and expectations of those entering the workforce for the first time?



Our survey further explored the above findings by collecting qualitative data on the challenges organisations have faced from first time entrants. The challenges reflect a complex interplay of factors.

- **Professional Skills and Work Ethic:** From a lack of essential professional skills and work ethic to heightened expectations for benefits and rewards without proactive contribution, organisations grapple with bridging the gap between the demands of the incoming workforce and the established norms of the workplace.

Quote from survey:

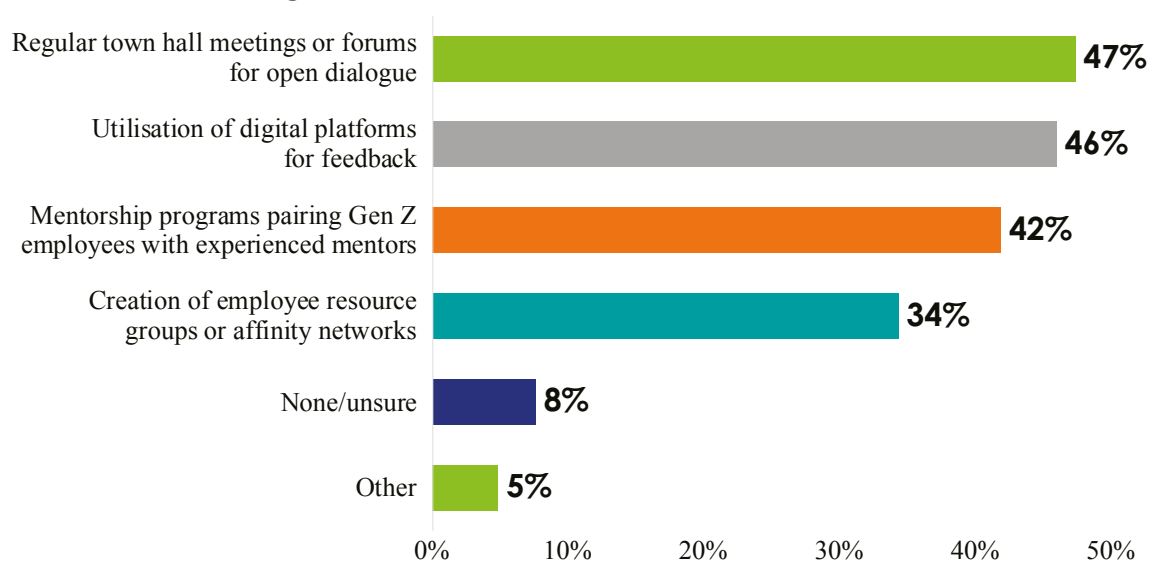
“One challenge I have observed with some employees entering the workforce for the first time is that some have high expectations for very rapid advancement which do not always seem realistic. As a result, they can be more inclined to move from organisation to organisation in order to pursue advancement opportunities.”

- **Work-Life Balance and Flexibility Expectations:** There is a notable emphasis on work-life balance and flexibility expectations, with employees prioritising personal wellness over traditional career progression.
- **Communication and Social Skills:** Communication and social skills also present challenges, as some struggle with face-to-face interactions and social nuances in the workplace.
- **Expectation Management and Loyalty:** Managing expectations and fostering loyalty pose significant hurdles, with unrealistic expectations for rapid advancement and a tendency towards job hopping.

Navigating these challenges requires organisations to effectively integrate and support the evolving needs of incoming employees while maintaining organisational effectiveness and cohesion.

Further exploration into the topic revealed that organisations adopted a multifaceted approach in implementing strategies to engage individuals entering the workforce for the first time, as indicated by our survey results (Figure 18):

Figure 18: Which strategies has your organisation/ client implemented or plans to implement to ensure transparent and meaningful engagement with those entering the workforce for the first time?



- **Regular town hall meetings or forums for open dialogue** emerge as the most commonly implemented strategy (47%). This reflects an acknowledgment of the importance of transparent communication channels in fostering engagement and inclusion.
- **Utilisation of digital platforms for feedback** closely follows, with a quarter of respondents (46%) stating this approach. This echoes the digital-centric upbringing of first-time entrants and their preference for tech-enabled communication channels.
- **Mentorship programs pairing first-time entrants with experienced mentors** are also prevalent (42%), underscoring the value placed on knowledge transfer and personalised guidance in navigating the professional landscape.
- **Creation of employee resource groups or affinity networks** (34%) further signifies organisational efforts to foster community and support networks tailored to the diverse interests and identities of those entering the workforce for the first time. While our industry survey highlights these positive intentions, past research suggests that such groups could sometimes be divisive and reinforce group differences.¹² Balancing these perspectives, it is important to ensure that these networks promote inclusion and unity within the broader organisational culture.

Interestingly, a small percentage (8%) also indicated lack of implemented strategies or uncertainty (Figure 18), suggesting potential gaps in organisational preparedness to engage this demographic effectively.

Qualitative data was also gathered for the benefits that organisations are experienced by employing first time entrants. The responses underscore several key themes:

- **Digital Fluency and Innovation:** There is a notable emphasis on digital fluency and innovation, with these individuals demonstrating a strong intuitive grasp of technology and a willingness to leverage it for driving innovation within their organisations.
- **Diversity, Equity, and Inclusion (DE&I):** There is a resounding commitment to DE&I, as evidenced by their emphasis on ethical behaviour, diversity in thought, and a clear focus on DE&I initiatives. One respondent highlighted the positive impact of first-time entrants, stating they bring *“fresh perspectives and renewed energy, digital proficiency, and hopefully acceptance of DE&I in an industry that is lacking it.”*
- **Fresh Perspectives and Ideas:** These individuals bring forth fresh perspectives and ideas, challenging existing norms and processes while injecting renewed energy and creativity into their organisations. Overall, this cohort embodies a multifaceted blend of skills, values, and perspectives that contribute positively to organisational culture and performance.

Recommendations: Cohort of employees entering the workforce for the first time

The survey results could inform how work is prioritised in this area. Recognizing the significant generational shift and its implications for workplace dynamics, Business Psychologists could design targeted interventions to support the effective integration of first-time entrants. Understanding the challenges faced by organisations in meeting the expectations of this demographic—including professional skills, work ethic, work-life balance, communication, and loyalty—Business Psychologists could develop programs to bridge the gap between the demands of incoming employees and established workplace norms. Moreover, addressing the multifaceted approach adopted by organisations in engaging first-time entrants, Business Psychologists could tailor interventions to enhance transparent communication, digital fluency, mentorship, and diversity, equity, and inclusion initiatives. Additionally, highlighting the importance of employability skills, higher education institutions play a crucial role in equipping students with the necessary competencies to meet workplace demands and expectations. By focusing on these areas, Business Psychologists could help create an inclusive and supportive work environment that nurtures the diverse skills, values, and perspectives of first-time entrants, ultimately enhancing organisational effectiveness and cohesion.

Given that a significant proportion of organisations perceive their efforts in addressing the needs and expectations of first-time entrants as ineffective, there is a clear need to reassess strategies and implement targeted interventions. Prioritising transparent communication, mentorship, and diversity, equity, and inclusion initiatives could be essential in fostering engagement and inclusion among first-time entrants. Business Psychologists, with their expertise in these areas, could design and deliver programs to address the challenges faced by organisations and support the successful integration of first-time entrants into the workforce. Embracing these insights could enable organisations to adapt to the evolving needs of the workforce and create a supportive and inclusive work environment that drives long-term success.

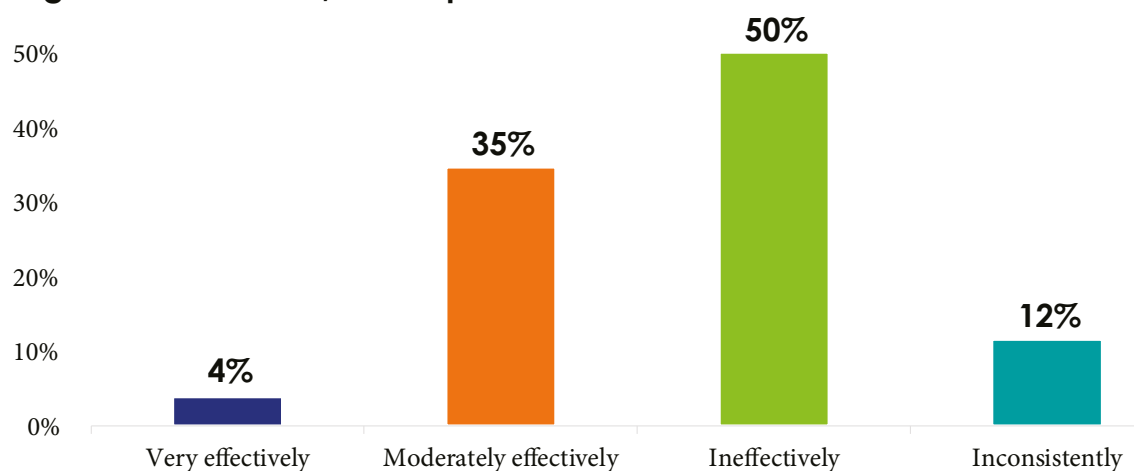
3. Learning and Development

3.1 Manager training and development

Previous research⁵, underscored the crucial role of managers in workplace engagement, attributing 70% of the variance in employee engagement to managerial influence. Despite this, the research highlights a gap between the recognised importance of effective managers and the current challenges they face. Consequently, there is a pressing need for organisations to prioritise comprehensive training and development programs for managers to foster employee engagement and ensure workplace success.⁵

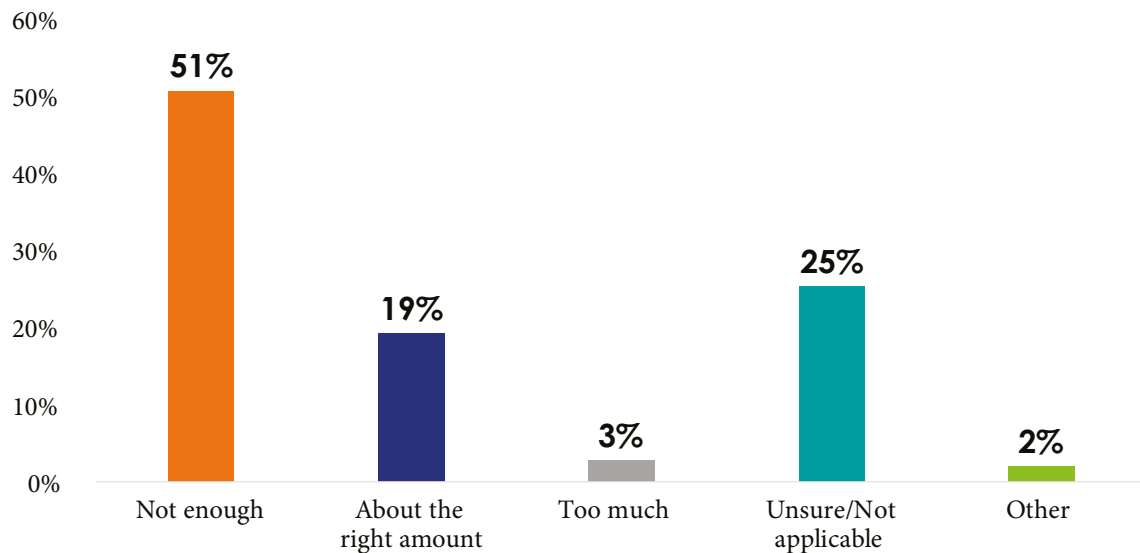
Our survey findings reveal a concerning disparity between the recognised importance of manager development and its practical implementation. A notable 62% of respondents reported that managers in their organisations are trained ineffectively or inconsistently, while only a mere 4% perceive training as very effective (Figure 19). This gap underscores the potential need for heightened investment and attention towards managerial development initiatives as part of a balanced overall organisational expenditure plan (Figure 20).

Figure 19: How effectively are managers in your or your client's organisation trained/developed to lead others?



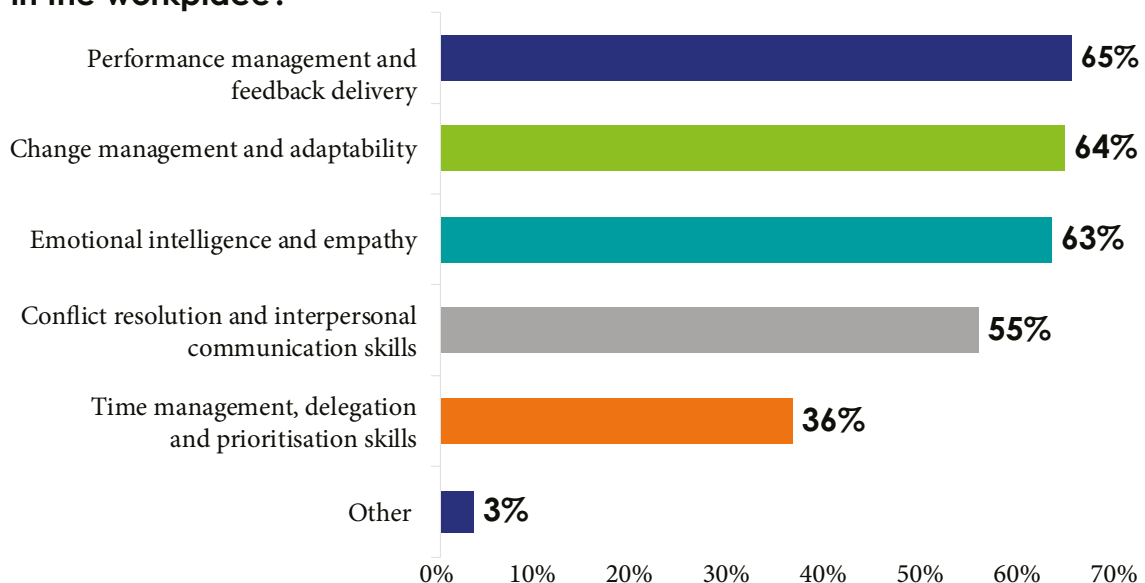
Furthermore, our survey highlights dissatisfaction with the allocation of Learning & Development budgets, with over half of respondents (51%) expressing that not enough resources are dedicated to training managers (Figure 20). This disparity between perceived inadequacy in training effectiveness and resource allocation demands immediate attention and strategic realignment.

Figure 20: What proportion of the Learning & Development budget is allocated towards the training and development of managers?



When considering specific areas for improvement, our survey identifies key domains where manager training programs could prioritise focus to enhance workplace effectiveness. Performance management and feedback delivery emerge as the top priority (65%), resonating with the need highlighted in previous research to strengthen managerial capabilities in fostering employee engagement. Additionally, change management and adaptability (64%) alongside emotional intelligence and empathy (63%), are recognised as crucial competencies that managers could cultivate (Figure 21). A survey respondent

Figure 21: Which specific areas of focus should be included in manager training and development programs to enhance their effectiveness in the workplace?



emphasised the need for training in the “*fundamentals of managing and leading teams that are diversely located*,” highlighting the growing importance of skills in managing remote and hybrid teams effectively.

Recommendations: Manager Training and Development

Recognizing the critical role of managers in workplace engagement, Business Psychologists could design and deliver comprehensive training programs to enhance managerial effectiveness. The survey reveals a significant gap between the importance of manager development and its practical implementation, emphasising the need for increased investment and attention. With many respondents reporting ineffective or inconsistent manager training, Business Psychologists could focus on improving performance management, feedback delivery, change management, adaptability, emotional intelligence, and empathy. Aligning training programs with these priorities could enhance workplace effectiveness and employee engagement, ensuring organisational success.

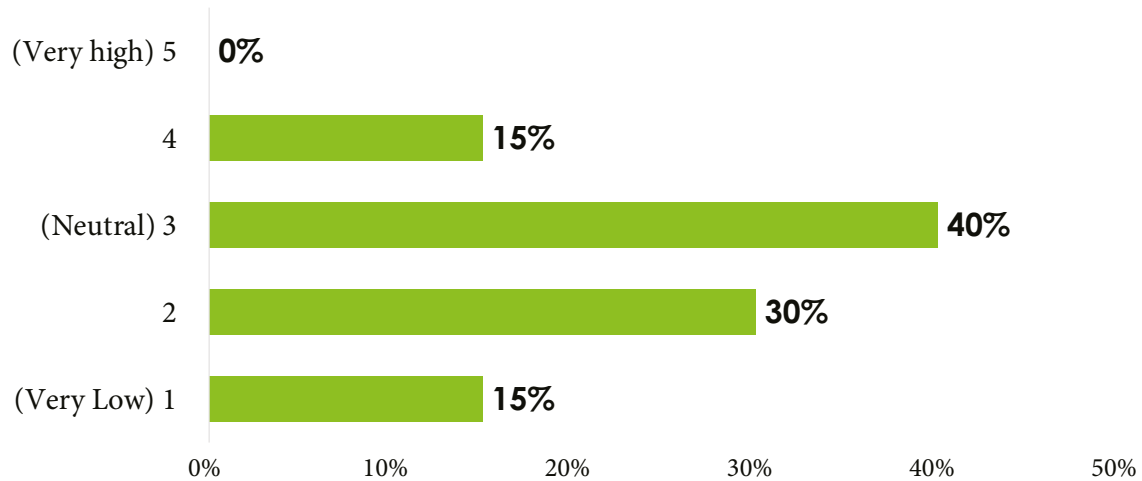
Additionally, survey insights suggest a need to reconsider talent management strategies. Given the pivotal role of managers in employee engagement, organisations may need to prioritise comprehensive training and development programs. The disparity between the importance of manager development and its practical implementation calls for immediate strategic realignment in resource allocation. With many respondents dissatisfied with current L&D budgets, organisations could re-evaluate their investment in managerial development. Identifying key areas for improvement, such as performance management, feedback delivery, change management, adaptability, emotional intelligence, and empathy, could guide the design of targeted training programs. Leveraging these insights can foster a culture of effective leadership, promoting workplace effectiveness and employee engagement.

3.2 Digital and technological skill development

Previous research has underscored the growing importance of skill-building initiatives, driven by recruitment challenges and the pervasive influence of digital and advancing technology.⁷ This necessitates a baseline competency across the entire workforce to adapt to evolving trends effectively.

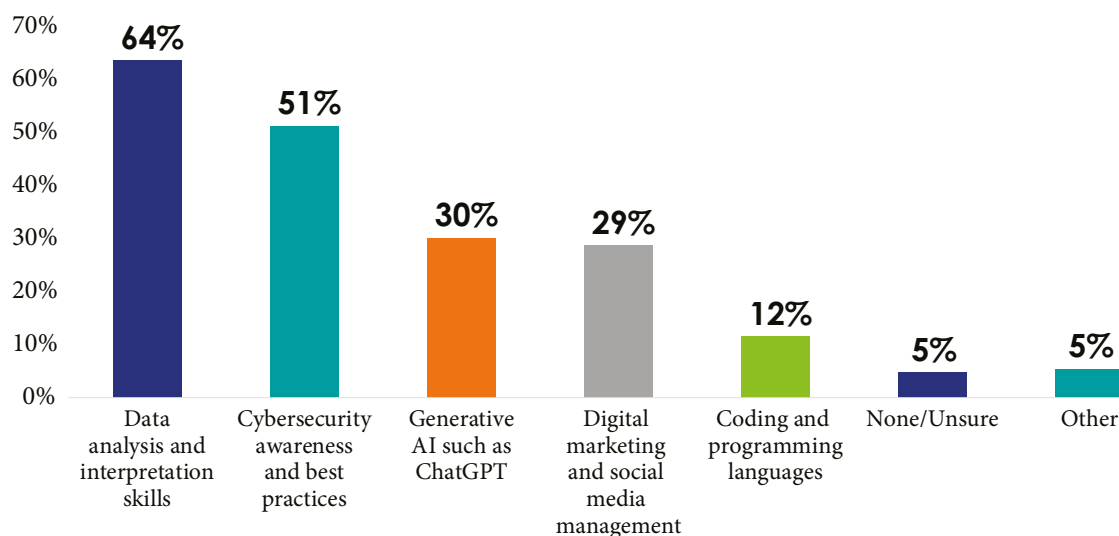
Our survey findings reflect a mixed perception of the current level of digital and technological skills within organisations. While 40% of respondents remain neutral, indicating a potential room for improvement, a notable 45% rated skills at a low level (Figure 22). This suggests a gap between the recognised importance of digital proficiency and the current state within organisations, highlighting an area ripe for development.

Figure 22: How would you rate the current level of digital and technological skills within your organisation's/client's workforce?

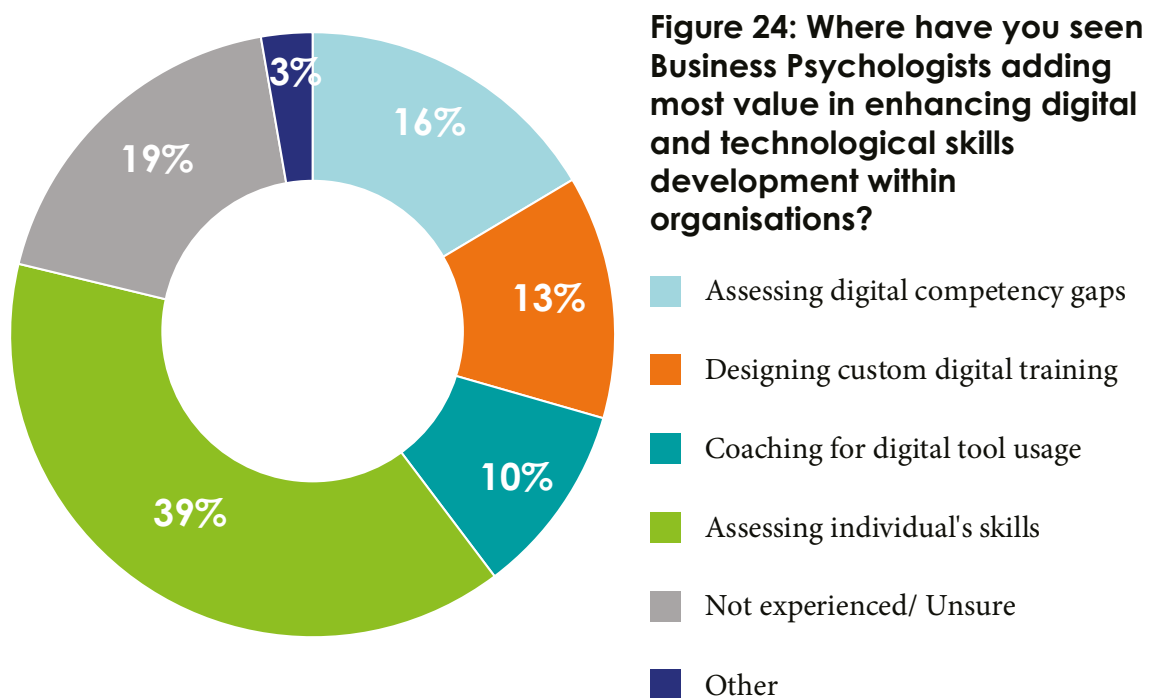


Regarding specific skills deemed essential, data analysis and interpretation skills (64%) emerged as the top priority, aligning with the increasing reliance on data-driven decision-making processes. Cybersecurity awareness and best practices also ranked high (51%), indicating a growing recognition of the importance of digital security in today's landscape. Interestingly, while coding and programming languages were considered less essential (12%), there was more emphasis on generative AI, such as ChatGPT (30%), suggesting a shift towards leveraging advanced technologies for innovation and efficiency (Figure 23).

Figure 23: What specific digital and technological skills are considered essential for employees within your organisation/client's organisation?



When assessing the contribution of Business Psychologists in enhancing digital and technological skills, the survey reveals a predominant focus on assessing individual skills (39%) and identifying competency gaps (16%). Interestingly, 19% of the respondents also indicated that they have no experience or are unsure of what value Business Psychologists could add to digital and technological skill development (Figure 24). This not only highlights the critical role of tailored assessments and personalised development strategies in addressing organisational needs effectively but also the lack of awareness about what value Business Psychologists could bring to the digital world. For example, a survey respondent noted: “*can’t say I have seen any examples in this space,*” while another said: “*not familiar with interventions of this type.*”



Recommendations: Digital and technological skill development

Recognizing the importance of digital proficiency, Business Psychologists could design and deliver targeted skill-building initiatives to address gaps within organisations. The survey reveals mixed perceptions of current digital skills, emphasising the need for interventions in areas like data analysis, cybersecurity awareness, and generative AI technologies. Business Psychologists could use these insights to create tailored assessments and personalised development strategies, enhancing workforce capabilities and driving organisational success.

Additionally, these insights could prompt a re-evaluation of talent development strategies. Given the critical role of digital proficiency, organisations may need to invest more strategically in skill development programs. The survey identifies a gap between the importance of digital skills and their current levels, urging a focus on essential skills like

data analysis, cybersecurity awareness, and generative AI technologies. Highlighting the role of Business Psychologists in this process, organisations could leverage their expertise to design effective training programs. As well as developing digital skills themselves, Business Psychologists could also play a key role in facilitating the psychological shifts that sometimes need to occur when people are required to adopt new technologies. In particular, work in the area of behavioural science around nudge theory and motivation could be utilised to make successful adoption more likely.

By applying this combination of interventions, Business Psychologists could help to build a digitally proficient workforce, essential for sustainable success in today's dynamic business environment.

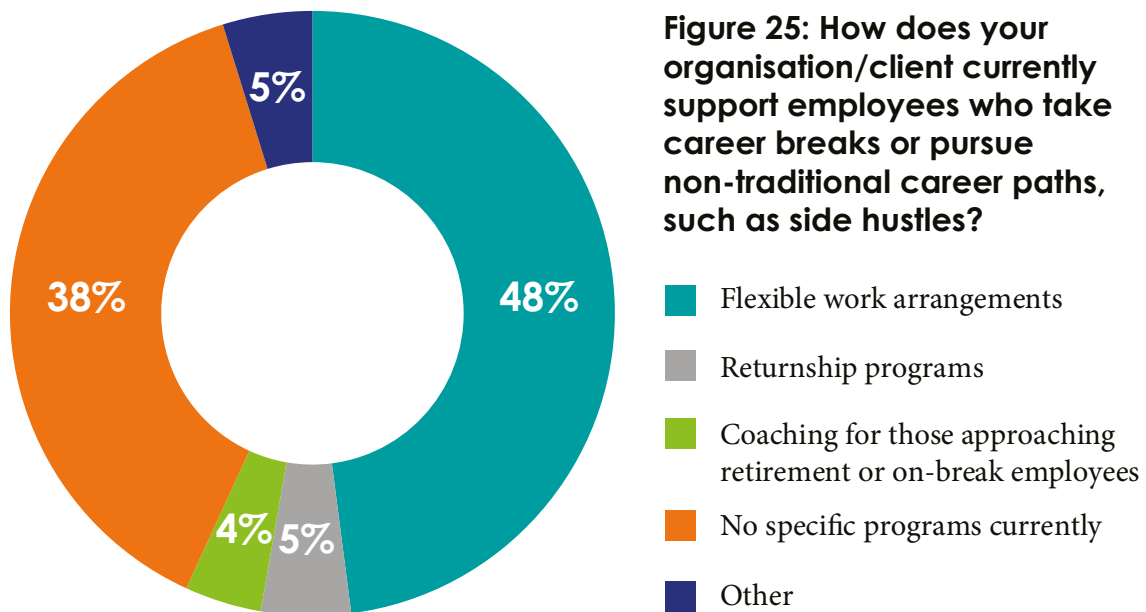
3.3 Non-traditional career paths

Previous research¹ indicates a notable departure from conventional career paths, with individuals increasingly embracing non-traditional trajectories such as career breaks and side hustles. Factors driving this trend involve employees facing unexpected career disruptions due to economic fluctuations, caregiving duties, conflicts, natural disasters, and evolving technology and business models. These factors challenge their ability to maintain stable and continuous employment hence leading them to depart from conventional career paths.¹

Studies also suggest a growing acceptance of flexible work arrangements and intermittent employment patterns among workers.¹⁰ This evolving landscape prompts organisations to reassess their talent management strategies to effectively support employees navigating these diverse career journeys.¹ Our survey explores how organisations are responding to these shifts by assessing effectiveness of initiatives within talent management and L&D in meeting the evolving needs of their workforce.

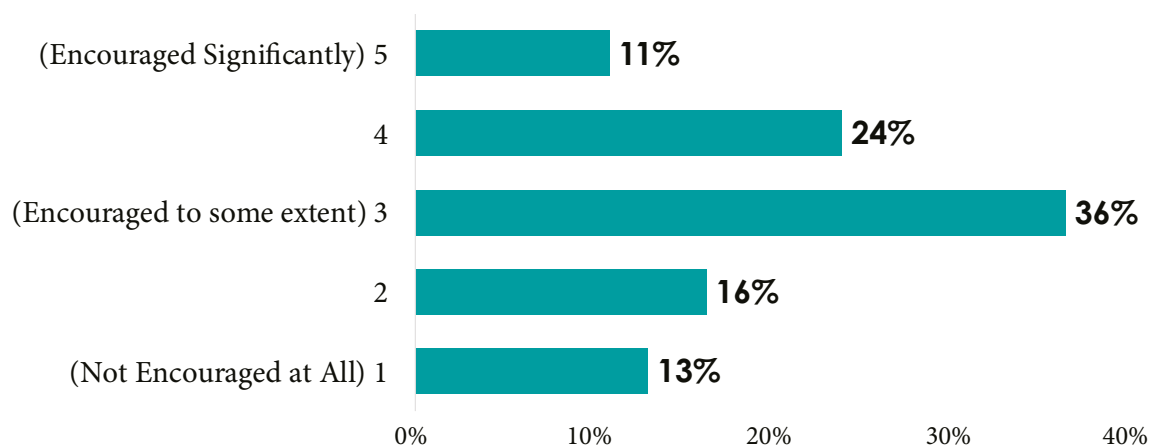
Our findings revealed that nearly half of the respondents indicated they offered flexible work arrangements, such as job sharing or reduced hours, showcasing a commitment to accommodating diverse career journeys (Figure 25). One respondent highlighted: *“Accepting of employees who have ‘side hustles’ by providing part-time contracts or allowing unpaid leave to pursue other interests.”*

However, over a third (38%) reported having no specific programs in place, suggesting a potential gap in addressing the needs of employees pursuing non-traditional paths. Additionally, only a small percentage (5%) mentioned implementing returnship programs (Figure 25), indicating an area for potential growth in facilitating re-entry into the workforce after extended breaks.



Regarding horizontal career development versus vertical progression, our survey identified a variation of organisational attitudes. While a majority of respondents (71%) reported encouragement for horizontal career development, a notable portion (29%) indicated less emphasis on this aspect (Figure 26). Survey responses indicated that while there is enthusiasm in principle for horizontal career development, it often proves difficult to gain organisational commitment for effective implementation.

Figure 26: To what extent does your organisation encourage and enable horizontal career development as well as vertical career progression?



One survey respondent noted:

“Not much, they mostly still apply the old school approach... there isn’t a shift yet in identifying specific expertise across employees (regardless of position and role).”

This highlights the gap between the theoretical support for horizontal development and the practical steps needed to achieve it. Another respondent echoed this sentiment by stating:

“Looking across my clients this is more wishful thinking than active practice.”

These insights suggest that while organisations recognize the value of horizontal career paths, many have yet to translate this recognition into concrete strategies. This disparity indicates a need for organisations to reassess their approach to career development, considering the increasing prevalence of atypical career paths.

Qualitative data was also collected to explore the approaches organisations leverage to optimise the use of employees’ expertise, regardless of their tenure or traditional career trajectory. The following themes emerged:

- **Informal Mentoring and Knowledge Sharing:** Organisations leverage informal mentoring and knowledge-sharing practices to maximise employee expertise regardless of their career trajectory. This involves mentoring across various job levels and facilitating internal forums for information exchange.

Quote from survey:

“Mentoring programmes for people to share their expertise, with mentors available at all organisational levels. Cross-functional working groups on strategic projects drawing on people’s specific expertise.”

- **Flexibility in Career Paths:** There is a growing emphasis on offering flexible career paths tailored to individual skills and preferences. This includes initiatives like flexible work arrangements and skills-based hiring, enabling employees to pursue non-traditional career paths.
- **Cross-Functional Collaboration:** Organisations prioritise collaboration across functions through project-based work and cross-functional teams. This fosters effective utilisation of employees’ expertise across different domains.
- **Continuous Learning and Development:** Many organisations prioritise continuous learning and development initiatives such as apprenticeship schemes and coaching programs to optimise employee expertise and adapt to evolving workforce needs.

Recommendations: Non-traditional career paths

Survey results on non-traditional career paths highlight the need to prioritise support for diverse career journeys. Recognizing the shift from conventional career paths and the acceptance of flexible work arrangements, Business Psychologists could design programs to encourage horizontal career development and manage diverse career trajectories. Addressing gaps in support for non-traditional paths, they could collaborate with organisations to implement initiatives like returnship programs for those re-entering the workforce after breaks. By leveraging their expertise in topics such as motivators (intrinsic and extrinsic), mentoring, knowledge sharing, career guidance and skills-based hiring, Business Psychologists could add their unique expertise to the existing knowledge and skill sets of human resource teams.

Additionally, the survey underscores the importance of reassessing talent management strategies to support employees with non-traditional careers. With many respondents indicating flexible work arrangements but lacking specific programs, there is a clear need to address these gaps. Prioritising initiatives like flexible career paths, skills-based hiring, and continuous learning may be essential. Business Psychologists could help design and implement these programs, fostering a flexible and inclusive work environment. By embracing these insights, organisations can adapt to workforce needs and optimise talent management for long-term success.



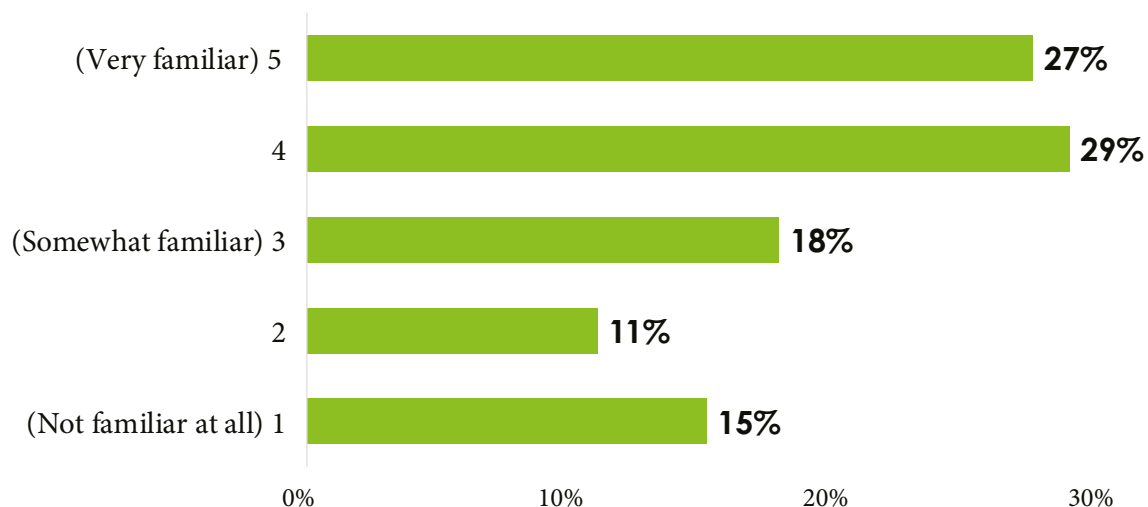
4. Behavioural Science

4.1 Nudge theory

Our survey examined the understanding and practical application of Nudge theory, which entails subtly steering employee behaviours and decision-making within organisations through strategic interventions in the work environment. This concept emphasises the power of small adjustments in choice presentation or information dissemination to guide employees towards making decisions that align with company objectives, all without imposing mandates or constraints.⁸

Our findings reflect a varied range of familiarity with Nudge theory among respondents, with 56% being familiar or very familiar (Figure 27). This suggests a considerable awareness of the potential impact of Nudge interventions.

Figure 27: How familiar are you with the concept of Nudge theory and its application in influencing behaviours within organisations?



However, despite this recognition, the adoption of Nudge-based initiatives remains relatively low, with only 23% of organisations reporting implementation (Figure 28). This discrepancy between awareness and implementation presents an intriguing area for further exploration, as our survey seeks to uncover the underlying factors influencing the adoption of Nudge strategies within organisations.

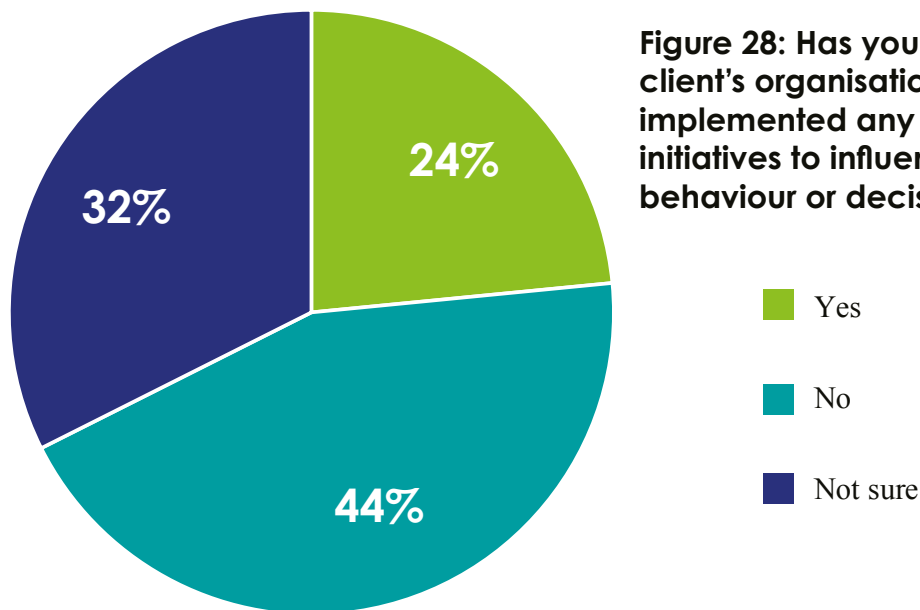


Figure 28: Has your organisation/client's organisation implemented any Nudge-based initiatives to influence employee behaviour or decision-making?

Qualitative data was collected on the most effective nudge strategies within respondents' organisations. The following themes emerged:

- Use of Behavioral Insights in Various Contexts:** Responses highlighted the application of behavioural insights in diverse settings, such as student reminders, pension auto-enrollment defaults, encouraging healthy eating habits in company cafeterias, and increasing participation in employee wellness programs. For instance, one respondent used personalised email reminders to increase student attendance at tutoring sessions, while another adjusted the default options in their retirement savings plans to higher contribution rates, significantly boosting participation without coercion. These examples demonstrate the utilisation of Nudge principles beyond traditional workplace environments, effectively influencing behaviour in various contexts.
- Effective Nudge Strategies in Practice:** Respondents highlighted diverse Nudge strategies within their organisations, demonstrating the versatility of Nudge theory. One respondent emphasised the strategic use of choice architecture, providing multiple options while subtly nudging individuals towards desired actions. For instance, an organisation used regular feedback loops and goal-setting prompts to encourage employees to pursue continuous professional development, fostering a culture of growth and improvement. These examples underscore the practical application of Nudge theory in driving positive behaviour change across various contexts, emphasising the importance of choice architecture and tailored interventions in achieving desired outcomes.

Additionally, one survey respondent mentioned:

“Companies can nudge employees by making desired options the default, highlighting popular choices through social proof, and using visual cues to subtly guide behaviour. This fosters positive behaviour without being forceful.”

These examples underscore the practical application of Nudge theory in driving positive behaviour change across various contexts, emphasising the importance of choice architecture and tailored interventions in achieving desired outcomes.

Recommendations: Nudge theory

The survey results on Nudge theory suggest an opportunity to leverage behavioural insights in guiding behaviours and decision-making within organisations. With over half of the respondents being familiar with Nudge theory, there is a clear recognition of its potential impact. However, the low adoption rate indicates a gap between awareness and implementation, highlighting the need for practitioners to advocate for and facilitate the integration of Nudge strategies into organisational practices. Moving forward, prioritising efforts to educate and collaborate with stakeholders on the effectiveness of these interventions, as well as conducting further research to understand the barriers to implementation, will be essential in guiding work focus in this area.

The insights from the survey also present an opportunity to enhance decision-making processes and drive positive behavioural change within the workplace. While the concept of Nudge theory may be unfamiliar to some, the examples provided demonstrate its practical application and potential benefits across various contexts. By understanding the principles of Nudge theory and its impact on employee behaviour, organisations could explore the strategic implementation of Nudge-based initiatives to improve outcomes, foster a culture of continuous improvement, and drive organisational success. Embracing Nudge strategies as part of a broader behavioural science approach could empower organisations to create environments that facilitate desired behaviours and support employee well-being and productivity.

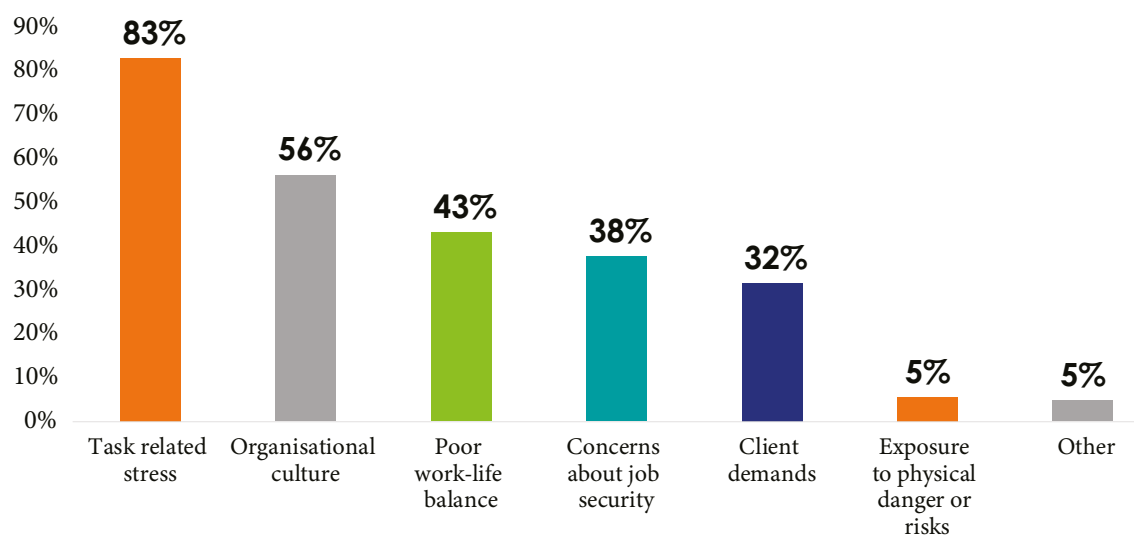
5. Human motivation and wellbeing

5.1 Employee stress

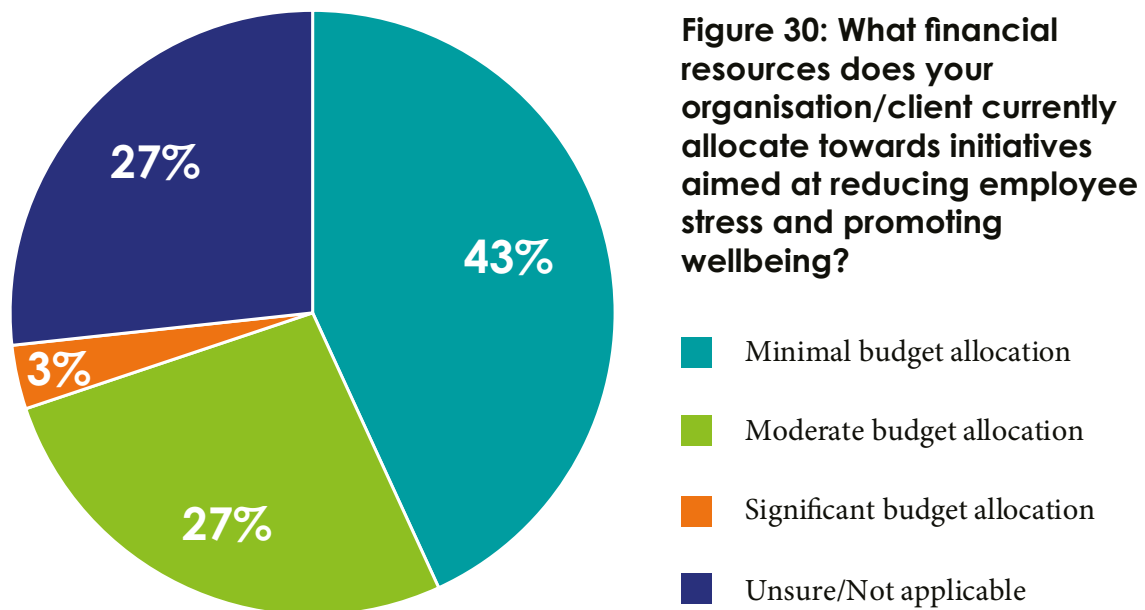
According to the People Profession survey report by Chartered Institute of Personnel and Development (CIPD)⁷, stress emerges as a significant factor contributing to short- and long-term sickness absence, particularly prevalent in large organisations due to high workloads. It found that 76% of respondents reported some level of stress-related absence, with high workloads cited as the primary cause by 67% of respondents.

Consequently, our survey aimed to explore the primary sources of stress within organisational work environments and the financial resources allocated towards stress-reduction initiatives. Echoing previous research⁷, task-related stress emerged as the primary source with 83% of respondents citing it as a significant stressor. Additionally, poor work-life balance, organisational culture, and concerns about job security are identified as notable contributors (Figure 29), shedding light on the multifaceted nature of workplace stressors.

Figure 29: Where do you believe the primary sources of stress originates within your organisation's/client organisation's work environment?



Despite the evident need for stress-reduction efforts, our survey reveals that a substantial portion of organisations allocate minimal financial resources towards such initiatives, with 43% reporting minimal budget allocation (Figure 30). This finding suggests a potential gap between the recognition of stress-related challenges and the allocation of resources to address them effectively.



Qualitative data were also collected on digital and technological solutions currently utilised or envisioned to alleviate employee stress related to workload. Thematic analysis indicated a diverse range of strategies:

- **Task Management and Automation:** Organisations are leveraging task management and automation tools to streamline workflows, share workloads efficiently, and standardise processes, thereby reducing employee stress associated with manual tasks and repetitive work.

Quote from survey:

“Project Management Tools: Streamline workflows & workload visibility (e.g., Asana, Trello). Automation/AI Assistants: Free up time, reduce mental load (e.g., repetitive tasks, basic questions).”

- **Wellbeing Support and Mental Health Apps:** Organisations are investing in employee wellbeing support through Employee Assistance Programs (EAP), mindfulness apps, and financial wellbeing tools to address mental health concerns and promote work-life balance. It is worth noting that there are contrasting recent reports on the effectiveness of these types of interventions.¹³
- **AI and Generative Tools:** The adoption of AI-driven solutions and generative tools is seen as a promising approach to alleviate employee workload by automating repetitive tasks, providing digital assistance, and improving operational efficiency.

Quote from survey:

“We try to automate and standardise as much of the process as possible. We have recently hired an employee in order to assess our technology gap and how we could utilise AI in order to alleviate any unnecessary workload.”

Qualitative data was also collected on how Business Psychologists could add value to the development and implementation of stress management strategies. Thematic analysis indicated several key areas where Business Psychologists could play a useful role in understanding, addressing, and mitigating workplace stressors:

- **Assessing and Coaching:** Respondents highlighted the importance of assessing stress levels and providing tailored coaching and support to individuals and teams, emphasising the role of individualised interventions in addressing stressors effectively within the workplace.

Quote from survey:

“Providing up-to-date high-quality research on current stressors to support practitioners/organisations in their preventative & management practices.”

- **Organisational Analysis and Strategy Development:** Responses underscore the necessity of understanding the organisational structures and practices contributing to stress, advocating for evidence-based approaches and systemic changes to create a healthier work environment and mitigate the causes of stress.

A survey respondent also noted the importance of:

“Bringing evidence-based practices. Building the foundations first. Engaging with employees (co-creating).”

- **Training and Education:** Insights emphasised the significance of training and education, particularly for senior managers and returning employees, to equip them with the skills and knowledge needed to manage stress, recognise burnout, and foster resilience within the workforce.

Recommendations: Employee stress

Recognising stress as a major factor in absenteeism and decreased productivity, Business Psychologists could focus on identifying primary stress sources and designing effective interventions. The survey highlights task-related stress as a key issue, with insufficient financial resources allocated to stress-reduction. Business Psychologists could help by implementing task management and automation tools to streamline workflows, reduce manual tasks, and improve efficiency. AI-driven solutions also show promise in alleviating workload and enhancing operational efficiency.

Additionally, Business Psychologists could assess stress levels, provide tailored coaching, and advocate for evidence-based approaches to create healthier work environments. Respondents noted a lack of organisational focus on internal culture and effective stress-management interventions, indicating areas for improvement. Addressing stress at both individual and organisational levels could enhance employee wellbeing and performance.

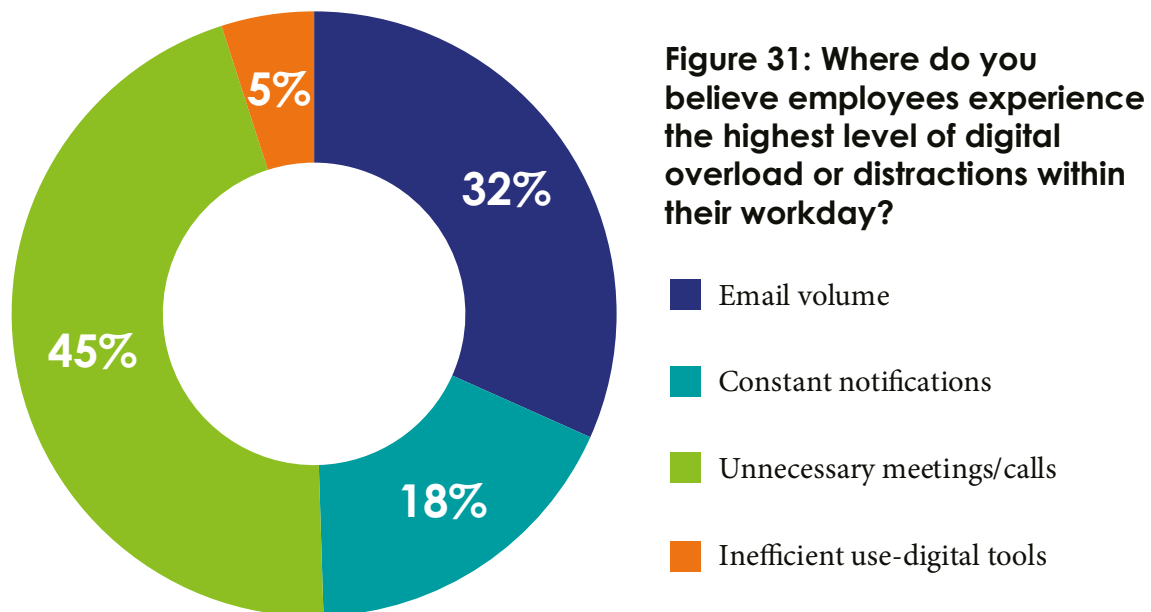
The insights prompt a reevaluation of workplace stress-management strategies. Organisations need comprehensive interventions to tackle task-related stress, poor work-life balance, and job security concerns. Leveraging task management, automation tools, and AI could reduce stress from manual tasks and improve efficiency.

Recognising the value of Business Psychologists, organisations could engage external experts to assess stress levels, provide coaching, and promote evidence-based approaches. Notably, only 3% of respondents cited physical danger as a primary stress source, indicating that health and safety investments have mitigated these risks. Business Psychologists could now focus on the less visible risks, providing tools for measuring and mitigating them to encourage organisational investment. By prioritising stress-management initiatives and leveraging external expertise, organisations can foster a culture of wellbeing and enhance performance.

5.2 Digital overload

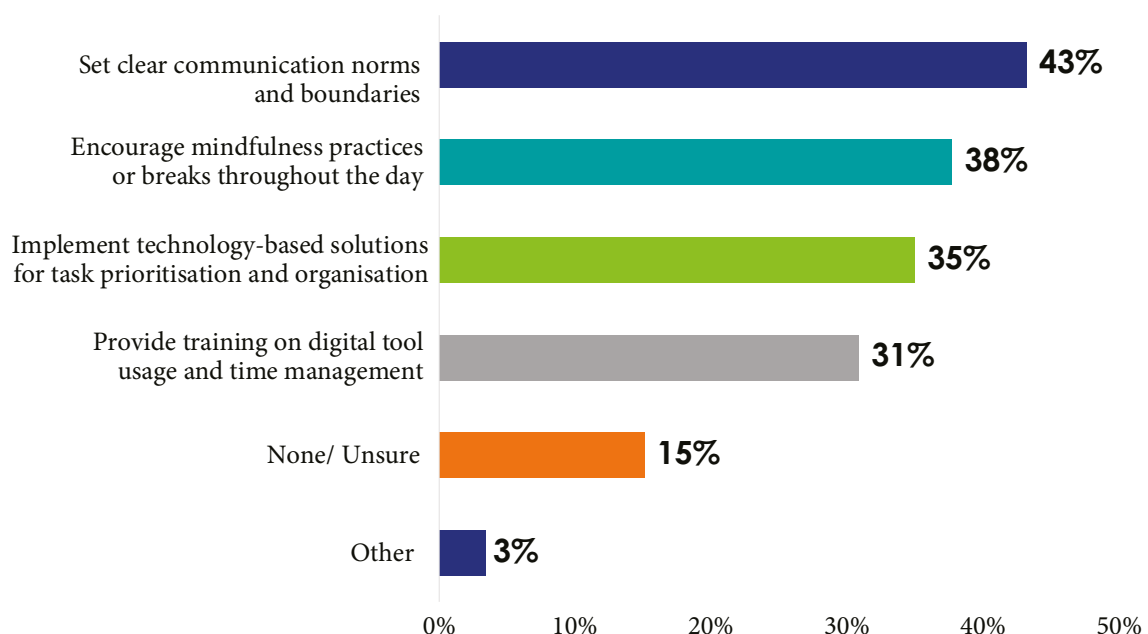
Previous research on digital overload highlights the challenges stemming from the rapid integration of digital tools into modern work environments.⁹ Data collected from our industry trend survey shed light on the phenomenon of digital overload.

According to our survey, 32% of respondents identified email volume as a significant source of digital overload, highlighting the need for more efficient communication practices. Additionally, 18% cited constant notifications as a key distraction, while 46% pointed to unnecessary meetings and calls as major contributors to digital overload (Figure 31).



In response to our survey, 43% of respondents reported setting clear communication norms and boundaries as a primary strategy. However, with almost half of respondents indicating apparently addressable issues such as unnecessary meetings and calls were contributing factors to digital overload, it is interesting that 15% of respondents said they do not have, or are unsure of, strategies that have been implemented to mitigate digital overload (Figure 32).

Figure 32: Which strategies has your organisation/ client implemented to mitigate digital overload and enhance employee focus and productivity?



Qualitative data were collected to investigate the contributions of Business Psychologists in mitigating the negative impacts of digital overload on employee well-being and performance. Thematic analysis indicated four main avenues through which Business Psychologists could add substantial value:

- **Education and Training:** Business Psychologists play a crucial role in providing evidence-based advice and practical tools to help employees and organisations effectively manage digital overload. Through training, communication strategies and ongoing support, they empower individuals with the knowledge and skills needed to establish healthy technology habits and maintain optimal well-being in the digital age.

Quote from survey:

“Engage in research which measures the actual impact of digital overload and/or take an evidence-based approach to helping organisations and managers create better policies, adopt better practices and provide improved work-based support for employee wellbeing and performance...”

- **Cultural and Organisational Change:** By working closely with leaders and senior management, Business Psychologists could facilitate cultural shifts within organisations to prioritise employee well-being and foster a supportive work environment. Through coaching, guidance, and advocacy, they promote behaviours that prevent overwork and burnout, ultimately contributing to improved performance and long-term sustainability.
- **Policy Development and Implementation:** Business Psychologists collaborate with HR departments and organisational leaders to develop and implement policies and protocols that support employee well-being and mitigate digital overload. By advocating for resources, technology improvements, and staffing adjustments, they ensure that organisational practices align with the goal of fostering a healthy and productive work environment.

These findings underscore the importance of thoughtful deployment of technology. On the one hand, digital tools could indeed reduce employee burden, streamline work, and enhance productivity. On the other hand, poorly launched digital tools could create a separate set of issues, for example leading to stress associated with digital overload. In this context it is essential for organisations to remain vigilant in measuring the results of tools deployed not only in terms of productivity and efficiency, but also considering human factors. As a survey respondent noted:

“When we adopt new tech, we always ask ‘what does this pay into, and does it actually solve our problems’. By doing so, we like to think we manage to avoid too many layers of process, and keep everyone focused simply on a small number of things that they have to do well...”

Recommendations: Digital Overload

Recognising digital overload as a significant challenge affecting employee well-being and productivity, Business Psychologists could focus on developing interventions to reduce, or increase employees' ability to manage, their load. Organisations recognising digital overload as a significant challenge affecting employee focus and performance could be compelled to explore interventions aimed at reducing email volume, managing constant notifications, and minimising unnecessary meetings. The survey's identification of setting clear communication norms and boundaries as a primary strategy underscores the importance of implementing policies and protocols to address digital overload effectively. Organisations could consider engaging Business Psychologists to develop and implement training programs aimed at educating employees on healthy tech habits and providing practical tools to manage the digital aspects of their work effectively.

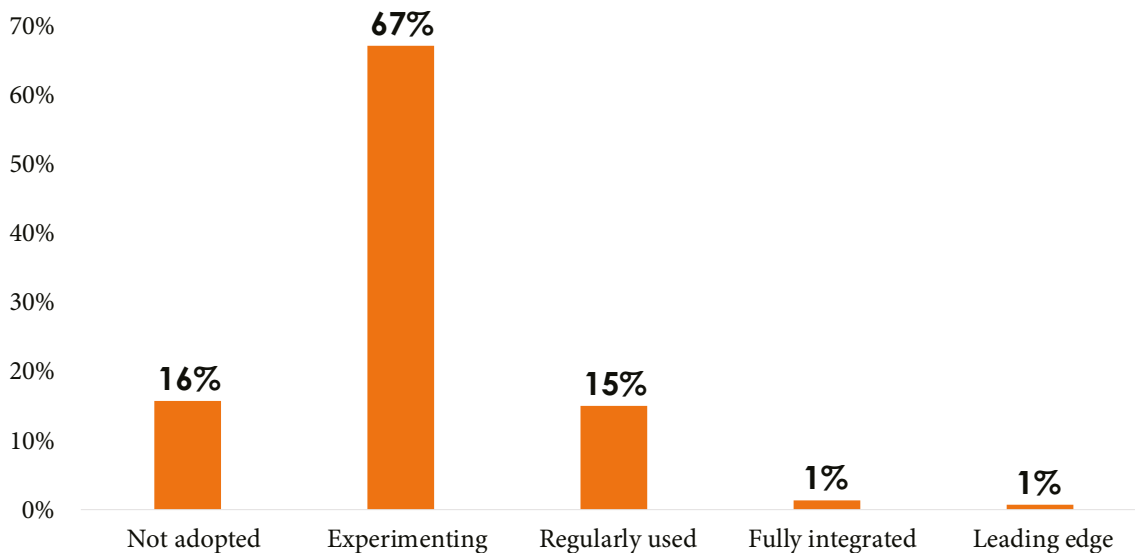
Furthermore, Business Psychologists could collaborate with organisational leaders to drive cultural shifts that prioritise employee well-being and foster a supportive work environment. This could include advocating for relevant policy development and implementation, for example. Additionally, Business Psychologists could engage in research to measure the impact of digital overload and provide evidence-based recommendations for improving policies and practices.



6. Artificial Intelligence (AI)

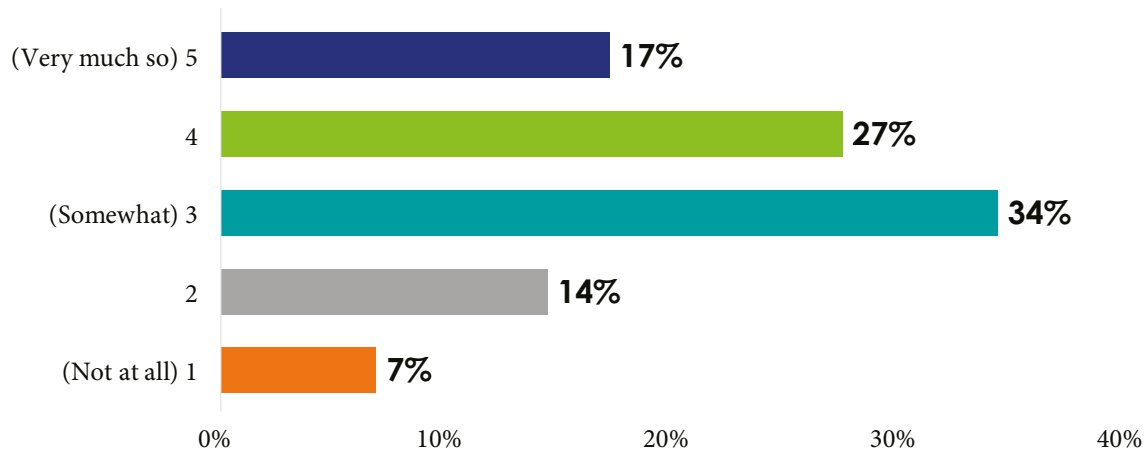
The survey explored the current landscape of AI adoption within respondents' organisations, and has identified that the majority of respondents report that they are presently in the experimentation phase (67%). Only a small proportion of organisations reported regularly using AI (15%) or having fully integrated it into their operations (1%) (Figure 33). This distribution reflects a diverse spectrum of AI adoption stages, with many organisations still in the early phases of exploration and implementation.

Figure 33: How would you describe the current level of AI adoption in your organisation/client organisation?



Concerns surrounding the technology, including data security, quality, and ethical considerations, emerged as significant factors affecting AI adoption. Approximately one-third of respondents (34%) indicated that such concerns somewhat limited their organisation's willingness to embrace AI (Figure 34).

Figure 34: To what extent have concerns with technology limited your organisation/client from adopting AI into the business?



Through qualitative responses, the extent of concerns with technology limiting adoption of AI was further explored. The range of concerns and fears surrounding AI adoption illuminate some of the potential challenges and ethical considerations influencing organisational readiness for AI integration. Key themes that emerged most often include:

- **Job Displacement and Redundancies:** Respondents expressed apprehension about AI leading to a reduction in job opportunities and/or a narrower scope of roles within organisations, fearing potential displacement due to automation and technological advancements.

Quote from survey:

“...Concerns arise over AI replacing human workers in various roles, potentially leading to unemployment and socioeconomic inequalities... There are fears surrounding AI bias, privacy violations, and the misuse of AI technologies, raising questions about accountability and responsible AI deployment.”

- **Ethical Dilemmas and Bias:** Concerns arose regarding the ethical implications of AI, including the potential for bias in decision-making processes and the misuse of AI technologies, prompting fears of ethical dilemmas and accountability issues within organisations.

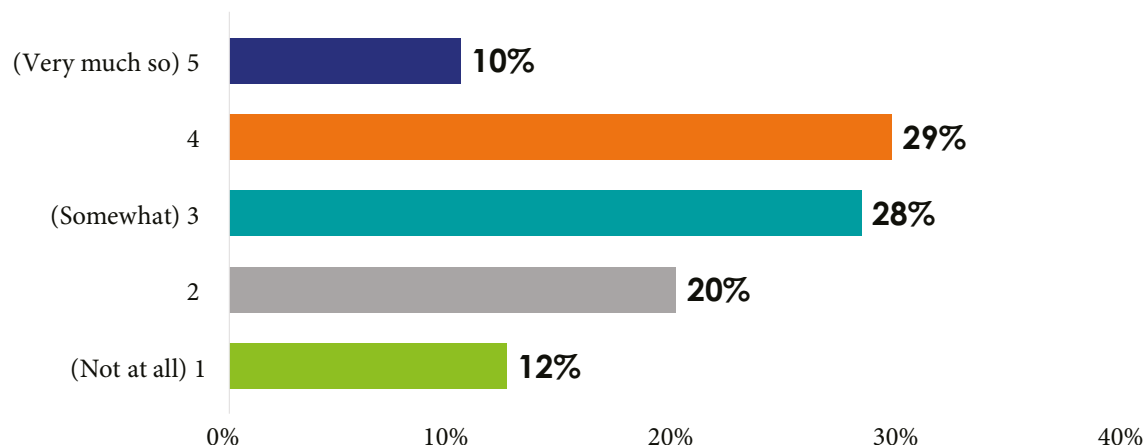
Quote from survey:

“Bias - Gen AI is in some ways a reflection of society. It is trained on data that contains biases and prejudices, which if then built into important processes like hiring, business decision-making, etc., could lead to inherently biased outcomes if left unchecked. Gen AI is extremely energy-intensive - the environmental cost of training these ever-larger LLMs is not something that is talked about much.”

- **Loss of Human Connection and Quality:** Respondents expressed concern about the potential loss of human interaction and connection in the workplace, raising the risk of increased reliance on AI potentially leading to a reduction in the quality of communication and collaboration, thereby impacting creativity and innovation.
- **Lack of Understanding, Governance, and Misuse:** There is a notable apprehension regarding the lack of understanding and governance surrounding AI implementation, with concerns about over-reliance on AI models, slow adoption, and the potential for misuse or improper implementation, highlighting the importance of comprehensive understanding and responsible deployment of AI technologies.

In addition, the survey explored the impact of personal qualities, such as attitude and capability, on employee engagement with AI adoption. Nearly one-third of respondents (28%) reported moderate limitations in this area (Figure 35), suggesting that individual readiness plays a pivotal role in shaping the pace and extent of AI adoption.

Figure 35: To what extent have personal qualities limited employees' engagement with adopting AI in your organisation/client organisation?



Qualitative data also focused on exploring respondents' best hopes regarding the potential impact of AI adoption, aiming to uncover the underlying motivations and anticipated benefits driving their outlooks. The following themes emerged most frequently:

- **Efficiency and Productivity Gains:** Respondents expressed optimism about AI's potential to drive efficiency and productivity within their organisations, viewing it as a catalyst for streamlining processes and enhancing operational performance. They anticipate that AI integration will enable them to stay competitive, optimise resource utilisation, and ultimately achieve greater success in their respective industries.

One respondent articulated this by saying,

“New revenue streams - possibility to scale up offerings rapidly to create whole new gen AI powered product offerings.”

- **Automation of Mundane Tasks and Time Saving:** Respondents highlighted the transformative impact of AI in automating mundane tasks, freeing up valuable time and resources to focus on more complex and strategic endeavours. They envision AI as a tool to alleviate workload pressures, enhance decision-making capabilities, and foster innovation across various facets of their organisations.

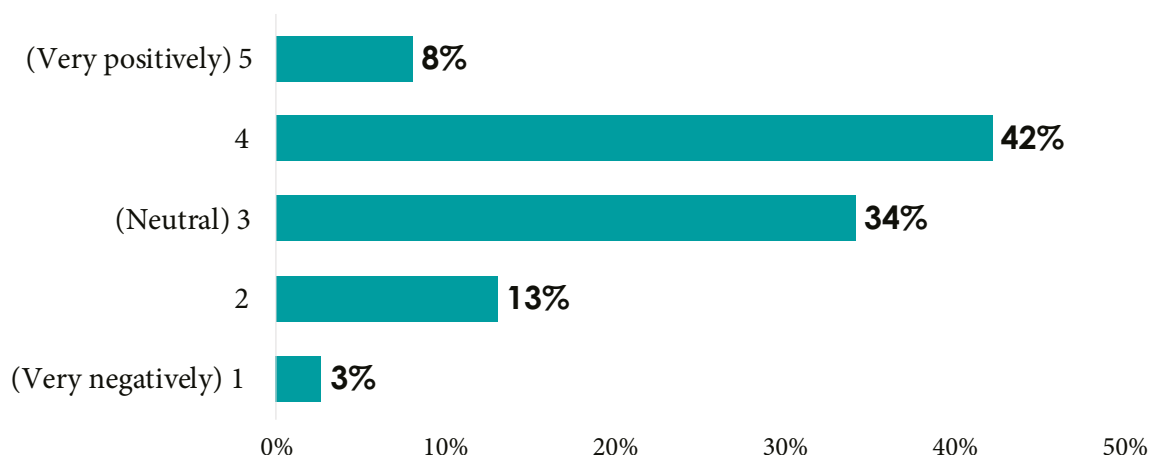
Quote from survey:

“Reduction of time spent on low-value high-time tasks. Freeing up time to innovate, create and solve more complex humanistic business challenges.”

- **Innovation, Growth, and Competitive Advantage:** Respondents anticipate that AI integration does have the potential to drive innovation, spur growth, and provide a competitive advantage for their organisations. They envision AI as a catalyst for unlocking new revenue streams, accelerating research and development efforts, and enhancing customer service, ultimately positioning their organisations for long-term success in dynamic and competitive markets.

Looking towards the future, opinions differed on the anticipated impact of AI on the field of Business Psychology over the next five years. While a significant portion of respondents (34%) expressed a neutral stance, indicating uncertainty or ambivalence, a sizable minority (42%) held positive expectations (Figure 36).

Figure 36: How do you believe AI will impact the field of Business Psychology in the next 5 years?



This variation suggests differing perspectives on AI's potential implications for Business Psychology, ranging from cautious optimism to scepticism or apprehension. Navigating these divergent views will require ongoing dialogue, research, and collaboration to harness AI's transformative potential while mitigating potential risks and challenges.

Recommendations: AI

The survey insights highlight the need for addressing concerns and fears surrounding technology implementation within organisations. With many organisations still in the early stages of AI exploration, Business Psychologists could prioritise interventions aimed at mitigating potential challenges and ethical considerations. Strategies may include educating employees on the ethical implications of AI, providing training on responsible AI deployment, and facilitating discussions on job displacement and automation fears. Additionally, Business Psychologists could collaborate with organisational leaders to develop governance frameworks and policies to ensure responsible AI integration. By addressing these concerns and promoting a culture of transparency and ethical AI use, Business Psychologists could play a useful role in facilitating smooth AI adoption and enhancing organisational well-being.

Survey findings also underscore the importance of addressing concerns and fears surrounding technology implementation within organisations. Recognising the diverse range of challenges and ethical considerations associated with AI integration, organisations could explore the use of external expertise to develop and implement strategies to mitigate these concerns effectively. External expertise is well positioned to provide guidance on educating employees, developing governance frameworks, and implementing policies to ensure responsible AI deployment. By leveraging external expertise, organisations could efficiently and effectively navigate the complexities of AI adoption and promote a culture of transparency and ethical AI use, ultimately fostering a supportive work environment conducive to successful AI integration.

7. Professional Bodies

Being a member of a representative professional body can offer several benefits including credentialing and recognition, access to resources for continued professional development and career advancement. In the Business Psychology industry, practitioners can select membership of multiple professional bodies which come with different opportunities to earn certifications or accreditations which can enhance their credibility and recognition. For example, the Association for Business Psychology offers a path to Certification as a Practitioner, whilst the British Psychological Society and Health Care Professionals Council offer routes to chartership and registration with protected titles such as “Occupational Psychologist” or “Chartered Psychologist”.

Practically, ensuring that all practitioners associate themselves with one or more relevant professional bodies is in the interests of all stakeholders in the industry, as this is essential to ensuring standards for best practice are set, understood and applied.

Quantitative data from our survey revealed insights into the perceived value of membership in a professional body for Business Psychologists. According to the survey results, 36% of respondents believe that membership significantly enhances a Business Psychologist’s value, while 37% perceive it as moderately enhancing value (Figure 37).

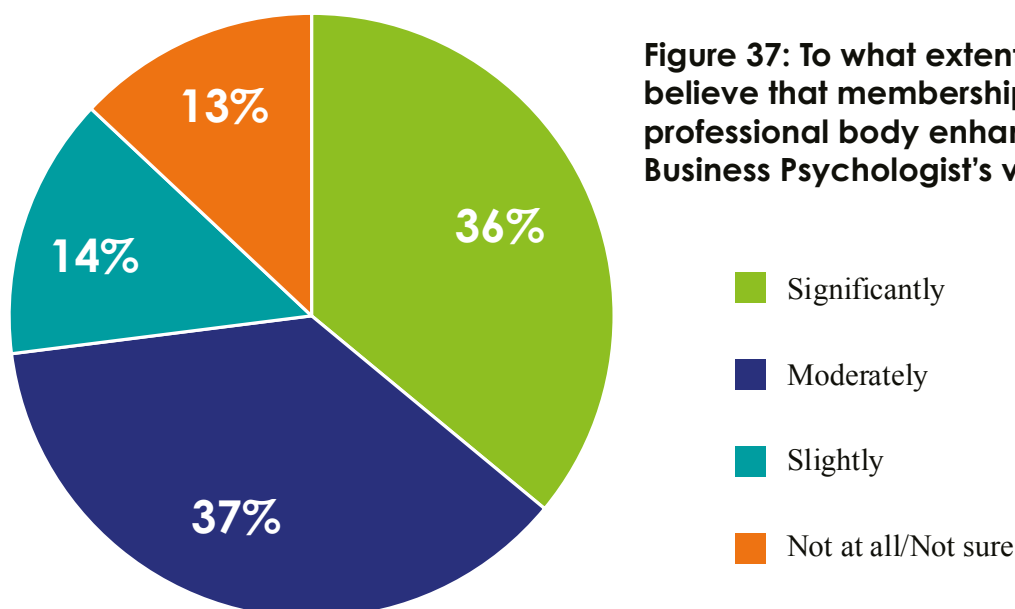


Figure 37: To what extent do you believe that membership of a professional body enhances a Business Psychologist’s value?

8. Future Challenges and Opportunities

Finally, qualitative data was collected to explore the anticipated emerging trends, challenges, and opportunities for Business Psychologists in 2024 and beyond, focusing on their potential impact in the realm of work. This investigation aimed to enable foresight into the profession's role and opportunities to contribute in the coming years. Key themes that occurred frequently include:

- **Integration of AI and Technology:** Business Psychologists are increasingly focused on understanding and adapting to the integration of artificial intelligence and technology in the workplace, aiming to redefine job roles, reskill employees, and navigate the implications of AI on career paths and human-AI interaction.

Quote from survey:

“Utilisation of gen AI across the board, navigating change, pursuit of novel career paths both directly and indirectly from AI and other tech developments, human-AI interfacing, and impact on sectors relating to ESG foci.”

- **Employee Well-being and Mental Health:** With a growing emphasis on creating psychologically safe workplaces, Business Psychologists are dedicated to promoting employee well-being, addressing work-life balance, and supporting mental health amidst external stressors like the pandemic and uncertainty.

A survey respondent highlighted the future role of Business Psychologists by stating:

“Business Psychologists will become the new Strategic Workforce / Organisational “Mental Leaders” or Doctors who will ensure normalcy within project teams, leaders and ensure harmony overall (if permitted and empowered of course).”

- **Leadership Development and Organisational Change:** Business Psychologists play a pivotal role in supporting leaders to navigate organisational change, optimise remote and hybrid work models, and build adaptive leadership capabilities to thrive in uncertain environments.

Quote from survey:

“The ongoing and increasing focus on agility in the workplace means Business Psychologists can add value through recruitment for that cognitive/emotional profile and in coaching leaders to further develop agility.”

- **Adaptation and Agility in the Face of Change:** Focused on fostering adaptability, Business Psychologists assist individuals and organisations in better navigating ongoing change, empowering employees to take on personal responsibility for career development, and enhancing adaptive leadership skills to stay ahead in dynamic work roles.

A respondent emphasised the proactive role of Business Psychologists:

“Don’t follow the trends, anticipate the future, support people to become futurologists.”

Recommendations: Future Challenges and Opportunities

The qualitative data underscores the evolving nature of the profession in response to emerging trends and challenges. With the integration of AI and technology becoming increasingly prevalent in the workplace, Business Psychologists must focus on understanding and adapting to these advancements. This includes redefining job roles, reskilling employees, and navigating the implications of AI on career paths and human-AI interaction. Additionally, the emphasis on employee well-being and mental health highlights the importance of promoting psychologically safe workplaces and addressing work-life balance amidst external stressors like the pandemic. Moreover, Business Psychologists play a crucial role in supporting leadership development and organisational change, particularly in optimising remote and hybrid work models and building adaptive leadership capabilities to thrive in uncertain environments. Lastly, fostering adaptation and agility in the face of change remains paramount, as Business Psychologists empower individuals and organisations to navigate ongoing changes effectively and enhance adaptive leadership skills to stay ahead in dynamic work roles.

The insights further provide valuable guidance on navigating the evolving landscape of work. The integration of AI and technology underscores the need for organisations to stay abreast of advancements and their implications on job roles and employee interactions. Additionally, the focus on employee well-being and mental health highlights the importance of creating psychologically safe workplaces and addressing work-life balance, especially amidst external stressors like the pandemic. Organisations could benefit from the expertise of Business Psychologists in supporting leadership development and organisational change. Furthermore, Business Psychologists’ focus on fostering adaptation and agility aligns with organisational goals of navigating ongoing changes and enhancing employees’ skills to thrive in dynamic work environments.

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Appendix

Sample Demographics

The demographic profile of the survey respondents reveals a highly experienced cohort, with over 55% having more than 20 years of professional experience post-education (Figure 38). Interestingly, 78% hold degrees related to business psychology, indicating a strong prevalence of specialised education within the field (Figure 39).

Figure 38: How many years of professional (post education) working experience do you have?

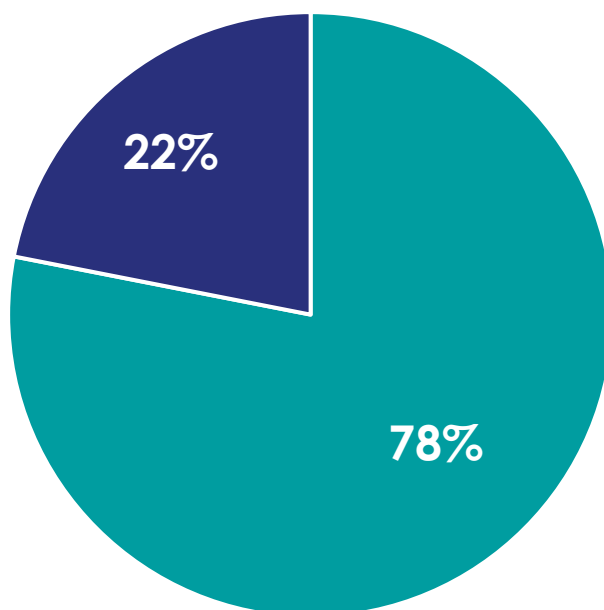
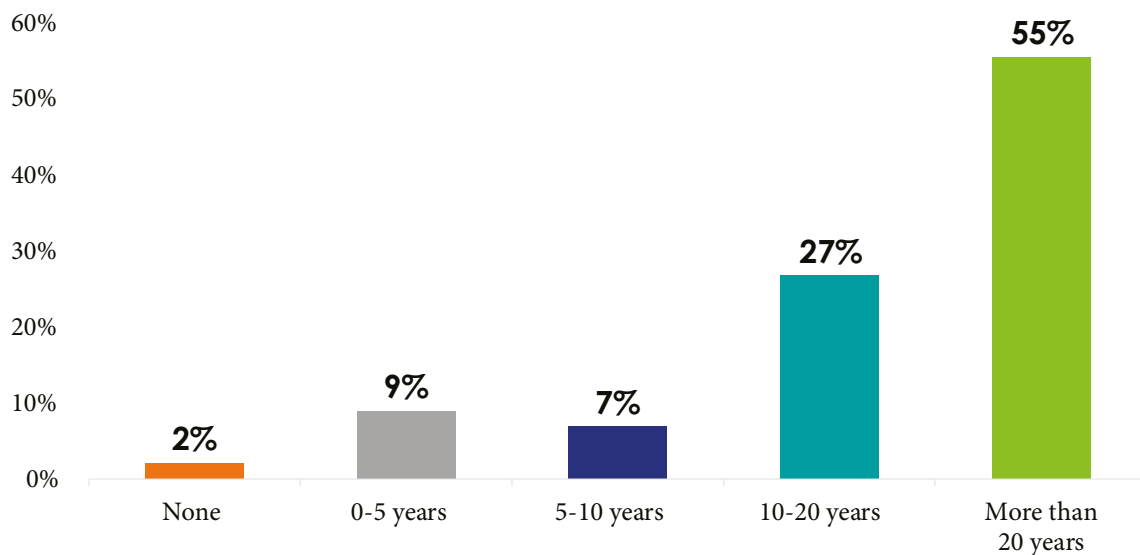
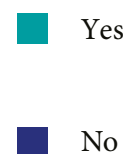


Figure 39: Do you have a Business Psychology related degree?



The majority of participants, 50%, are employed in the private sector, while 43% work across both public and private sectors, showcasing a significant crossover of expertise (Figure 40). In terms of employment, the majority, 34%, are independent providers (self-employed), followed closely by external consultants at 33% (Figure 41).

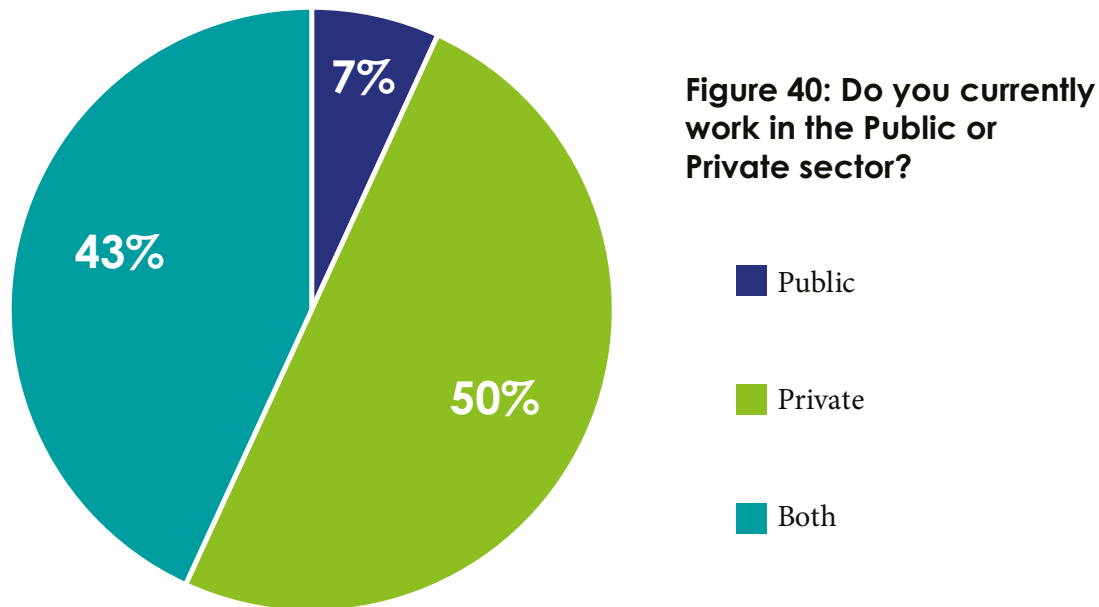
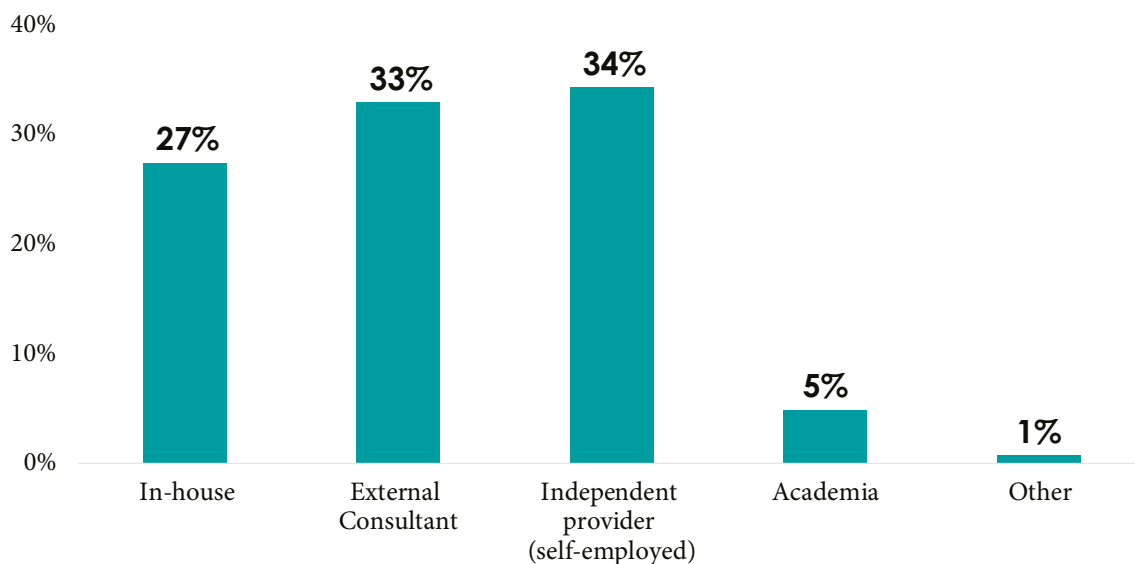
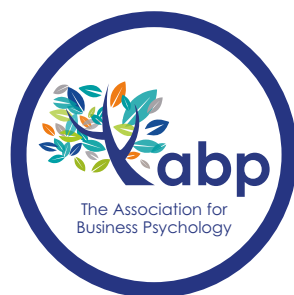


Figure 41: What best describes your employment status?









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