Job Satisfaction 2021
Job satisfaction remains high even in the midst of the pandemic and economic chaos
by Gad Levanon, Amy Lui Abel, Allen Li, and Calvin Rong
Executive Summary
In 2020, overall job satisfaction remained historically high. Despite the pandemic, economic crisis, mass layoffs, and the increase in the unemployment rate, job satisfaction climbed from its lowest ever rate of 42.6 percent recorded in 2010 to 56.9 percent—the highest in 20 years. The percentage of workers reporting engagement in their work also increased from 53.2 percent in November 2019 to 54.3 percent in November 2020. However, some components of job satisfaction declined because of the recession and economic stress. In aggregate, the results show an intriguing perspective on and changing dynamics of the relationship between employer and employee.

During the pandemic, companies devoted more efforts and resources toward supporting the well-being of employees and their families. Companies stepped up and responded with compassion, flexibility, and support during the chaos of the pandemic and social unrest, helping to keep overall job satisfaction for workers at a high level. Many of the components of employee job satisfaction that are in direct control of the company, such as health plan, performance review process, flexible time plan, family leave plan, sick leave, and supervisor, significantly improved in 2020.

It was not all good news, though. Some of the determinants of job satisfaction that are especially connected to labor market conditions, such as wages, bonus, retirement/pension plans, potential for future growth, and spending on training, tend to suffer during recessions. And indeed, satisfaction with these categories did decline in 2020. Many of these components were casualties of the financial straits some companies found themselves in.

The change in job satisfaction between November 2019 and November 2020 varied by age group. The under-35 group experienced a drop, while the 55+ cohort experienced an increase. Younger workers typically suffer more during periods of weak labor markets, and that may have lowered their job satisfaction in 2020.

Insights for What's Ahead
Postpandemic, job satisfaction is forecast to improve, continuing the trend of the past decade. In 2021 and beyond, we expect job satisfaction to continue to improve, mostly because we expect a significant recovery in economic conditions. The weak growth in labor supply and the strong growth in demand for workers will likely lower the unemployment rate to almost 4 percent by year’s end, barring a reversal in the pandemic trajectory. When the pandemic hit, a tight labor market seemed to be years away, but it may reappear as soon as 2022. The reduced stress as the pandemic and childcare crises die down may raise job satisfaction as well. Additionally, the long-run shift from manual services and routine office jobs to highly satisfying professional jobs is likely to continue in the coming years, further raising overall job satisfaction.

With expected ongoing pandemic challenges and resulting mental health issues of workers, companies will need to continue focusing on job satisfaction by providing support for employee well-being. Along with the focus on physical wellness, companies need to pay attention to worker stresses that may reduce their productivity. These may include mental health and psychological challenges, financial stresses, social wellness and belonging, professional and career wellness, and even community and family wellness. The compassion, flexibility, and support companies showed in 2020 resulted in increased job satisfaction for workers; there is every reason to assume these issues require ongoing focus.
While the dramatic shift to remote work for many workers did not have a noticeable impact on job satisfaction in 2020, that could easily change as remote work becomes an established norm. Organizations will need to accommodate a new workplace model (remote, in office, hybrid) and adjust rewards and services for the different populations to support ongoing job satisfaction. Working remotely, the biggest recent trend in the US labor market, was not significantly correlated with job satisfaction or employee engagement this year. While some respondents may have appreciated the increased flexibility and the elimination of a daily commute, others may have suffered from the lack of in-person interaction and perhaps a less-than-ideal working environment at home, due to inferior equipment, lack of space, or child and other dependent care disruptions. Remote work trends will continue to evolve, and different workers will have different needs. Companies will need to assess how they might respond.

The trend among boards and senior management of shifting focus from shareholders to stakeholders will bring increased attention to human capital management, and may also contribute to even higher job satisfaction levels in the long term. The 2020 ruling by the US Securities and Exchange Commission (SEC) requires disclosures on a company’s human capital resources, measures, and objectives that are materially important in managing the business. This new mandate underscores how important it is for boards to devote time and attention to understanding, evaluating, and strategizing their firm’s human capital capabilities, needs, and performance. This renewed focus will drive more dialogue on topics such as worker satisfaction, employee engagement, and company culture.

The Conference Board Job Satisfaction Survey is the longest-running measure of job satisfaction, dating back to 1987. In addition to overall job satisfaction, the survey examines the level of satisfaction with 23 components that contribute to overall job satisfaction, including wages, job security, potential for future growth, and interest in work.

In 2019, The Conference Board added a question to the survey about employee engagement, asking respondents: “To what extent do you feel engaged (energized, motivated, and making progress) by your work?”

It’s important to remember that job satisfaction and engagement are not the same thing. Job satisfaction is a key component of employee engagement, while engagement is not necessarily a component of job satisfaction. The Conference Board has created working definitions of “employee engagement” and “job satisfaction” that we have used to frame the data analysis and research approach of this report:

- **Job satisfaction** measures the extent to which employees are satisfied or content with their overall job and its components, such as the work environment and benefits. Job satisfaction is an important indicator of the attitudes and opinions of the workforce, but it does not explore the full range of emotional and behavioral ways employees interact with their workplaces.

- **Employee engagement** is a heightened emotional and intellectual connection that employees have for their job, organization, manager, or coworkers that, in turn, influences them to apply additional discretionary effort to their work.
Our data set provides us with a unique opportunity to study the differences between job satisfaction and engagement by measuring both concepts in the same survey, including many of the components of both. However, note that due to space constraints, we did not measure some of the important drivers of engagement, such as organizational mission, trust in leadership, motivation, impact of role, diversity, inclusion, and willingness to volunteer for additional responsibilities.

* For more information on this topic, see The Conference Board DNA of Engagement series.

**The pandemic made little difference to overall worker satisfaction**

Despite the many challenges of 2020, overall job satisfaction increased for the 10th consecutive year to its highest level since 1995, climbing from its lowest rate of 42.6 percent in 2010 to 56.9 percent in 2020. The percentage of workers reporting engagement in their work also increased from 53.2 percent in November 2019 to 54.3 percent in November 2020.

The reported improvement in job satisfaction may partly have a technical explanation. By the month of the survey, November 2020, employment was about 6 percent below the prepandemic level. Many of the people who lost their jobs due to the pandemic, and therefore did not respond to the job satisfaction section of the Consumer Confidence Survey®, worked in in-person services. In particular, the category with the largest decline in employment since the pandemic began is food services. The average satisfaction level for these workers is probably low. According to a 2019 Gallup study, just 18 percent of food preparation workers consider themselves to be in good jobs, versus 50 percent of managers and 49 percent of computer workers. Just the fact that these now-unemployed workers are no longer represented in the job satisfaction survey would raise the average satisfaction level.

Our estimate suggests that overall job satisfaction may have improved by 0.5-1.5 percentage points due to the compositional change in the workforce between the 2019 and the 2020 surveys. In other words, job satisfaction in 2020 would still have been historically high, but perhaps not as high as in 2019.
Why didn’t job satisfaction decline in 2020?

Given the economic crisis, mass layoffs, and increased unemployment, one might have expected to see an overall deterioration in job satisfaction. However, the opposite was true.

During the Great Recession (2008-2010), job satisfaction declined significantly. Some of the determinants of job satisfaction that are especially connected to labor market conditions, including job security, wages, bonus, retirement/pension plans, potential for future growth, and spending on training, tend to suffer during recessions.

Indeed, satisfaction with these categories did decline in 2020 (Figure 2). However, job security was an exception, remaining unchanged between November 2019 and November 2020. In the summer prior to the November survey, layoff rates had already declined to historic lows, perhaps making workers relatively comfortable with their job security (Figure 3).
### Figure 2

**Company policy–related components improved, while labor market–related components deteriorated**

Difference in satisfaction levels of each component

<table>
<thead>
<tr>
<th>Component</th>
<th>2019</th>
<th>2020</th>
<th>Percentage point change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health plan</td>
<td>44.9%</td>
<td>51.6%</td>
<td>6.7</td>
</tr>
<tr>
<td>Performance review process</td>
<td>35.1</td>
<td>38.8</td>
<td>3.7</td>
</tr>
<tr>
<td>Flexible time plan</td>
<td>44.8</td>
<td>47.8</td>
<td>3.0</td>
</tr>
<tr>
<td>Family leave plan</td>
<td>43.5</td>
<td>46.5</td>
<td>3.0</td>
</tr>
<tr>
<td>Commute to work</td>
<td>58.2</td>
<td>60.5</td>
<td>2.3</td>
</tr>
<tr>
<td>Sick leave</td>
<td>52.3</td>
<td>54.5</td>
<td>2.2</td>
</tr>
<tr>
<td>Supervisor</td>
<td>60.0</td>
<td>62.0</td>
<td>2.0</td>
</tr>
<tr>
<td>People at work</td>
<td>62.4</td>
<td>64.2</td>
<td>1.8</td>
</tr>
<tr>
<td>Engagement at work</td>
<td>53.2</td>
<td>54.3</td>
<td>1.1</td>
</tr>
<tr>
<td><strong>Overall satisfaction</strong></td>
<td><strong>56.3</strong></td>
<td><strong>56.9</strong></td>
<td><strong>0.6</strong></td>
</tr>
<tr>
<td>Vacation policy</td>
<td>56.0</td>
<td>56.4</td>
<td>0.4</td>
</tr>
<tr>
<td>Communication channels</td>
<td>42.0</td>
<td>42.4</td>
<td>0.4</td>
</tr>
<tr>
<td>Work/life balance</td>
<td>43.9</td>
<td>44.1</td>
<td>0.2</td>
</tr>
<tr>
<td>Job security</td>
<td>59.1</td>
<td>59.1</td>
<td>0.0</td>
</tr>
<tr>
<td>Promotion policy</td>
<td>31.6</td>
<td>31.5</td>
<td>-0.1</td>
</tr>
<tr>
<td>Bonus plan</td>
<td>29.0</td>
<td>28.9</td>
<td>-0.1</td>
</tr>
<tr>
<td>Potential for future growth</td>
<td>41.8</td>
<td>41.0</td>
<td>-0.8</td>
</tr>
<tr>
<td>Wages</td>
<td>49.6</td>
<td>48.7</td>
<td>-0.9</td>
</tr>
<tr>
<td>Quality of equipment</td>
<td>58.4</td>
<td>57.4</td>
<td>-1.0</td>
</tr>
<tr>
<td>Recognition/acknowledgment</td>
<td>39.5</td>
<td>38.3</td>
<td>-1.2</td>
</tr>
<tr>
<td>Pension/retirement plan</td>
<td>48.0</td>
<td>46.5</td>
<td>-1.5</td>
</tr>
<tr>
<td>Workload</td>
<td>42.8</td>
<td>41.3</td>
<td>-1.5</td>
</tr>
<tr>
<td>Interest in work</td>
<td>62.8</td>
<td>61.2</td>
<td>-1.6</td>
</tr>
<tr>
<td>Physical environment</td>
<td>60.2</td>
<td>57.3</td>
<td>-2.9</td>
</tr>
<tr>
<td>Educational/job training programs</td>
<td>37.9</td>
<td>34.8</td>
<td>-3.1</td>
</tr>
</tbody>
</table>

**Source:** The Conference Board
Offsetting weakening labor market conditions, several factors helped improve overall job satisfaction in 2020:

1. During the pandemic, many companies devoted more resources to support for their employees and their well-being. The Conference Board found that with the onset of the pandemic, workforce rose to become the second-highest concern for boards (just behind liquidity).

2. Many of the components that are in direct control of the company, such as health plan, flexible time plan, family leave plan, and sick leave, significantly improved in 2020, as companies showed compassion and support for employees and their families.

3. In this recession, the labor market has not behaved as it usually does when unemployment is very high. Instead, finding qualified workers is difficult, quits rate are high (Figure 4), and wage growth did not significantly slow down. There are reasons for the disconnect. High unemployment typically means many job seekers per job opening. In this crisis, that has not been the case. Many people listed as unemployed are not actively or seriously looking for a job for various reasons, among them: hope that they will regain old jobs, generous unemployment benefits, the fear of getting infected at work, and the lack of childcare and other dependent care solutions. As a result, the impact of weak labor market conditions on job satisfaction was more muted than usual.
Finally, it is useful to note that the change in job satisfaction between November 2019 and November 2020 varied by age group. The under-35 group experienced a drop, and 55+ experienced an increase. Younger workers typically suffer more during recessions as their relative lack of experience puts them at a disadvantage compared with more experienced workers, at a time when weak labor market conditions allow companies to be more selective in their job requirements. In the pandemic recession, young workers were especially disadvantaged because they were overrepresented in some of the hardest-hit industries, such as restaurants and out-of-the-home entertainment. On the other hand, older workers, generally more at risk from COVID-19 infection, would especially appreciate their health coverage, whereas younger workers might be less appreciative. In addition, fewer younger workers have children, making them less appreciative of the more flexible work environment.
Remote work did not boost job satisfaction

One of the biggest changes in 2020 in the context of work was the massive shift to remote work. To assess the impact of the shift to remote work on job satisfaction, we asked the following question in the Consumer Confidence Survey:

“If you are employed, are you primarily working from home (at least 3 days a week)?”

Thirty-nine percent of the survey’s respondents who were employed worked primarily from home.

After accounting for demographic, education, and household income characteristics, working remotely was not significantly correlated with job satisfaction or employee engagement. There may have been offsetting factors that precluded remote work from affecting job satisfaction. While some respondents may have appreciated the increased flexibility and the elimination of the daily commute, others may have suffered from the lack of in-person interaction and perhaps a less-than-ideal working environment at home, due to inferior equipment, lack of space, or inadequate childcare and other dependent care options.
Why is job satisfaction in 2020 the highest in 20 years?

At close to 57 percent, job satisfaction is the highest recorded in 20 years. Moreover, 2020 was the 10th year in a row that job satisfaction increased. Two factors in particular may have contributed to this finding:

1. The improvement since 2011 was across all components of job satisfaction, but was especially strong in survey elements most related to labor market conditions, such as job security, wages, and pension/retirement plan (Figure 6). The gains made in these components over the past 10 years, most of which included a strong labor market recovery, were not significantly reversed in 2020.

2. Over the past decade, a large number of workers voluntarily quit their jobs, mostly for other, more fulfilling jobs. Many workers quit more than once.

Figure 6

Job satisfaction across all components has improved since 2011, but labor market–related components have especially improved

<table>
<thead>
<tr>
<th>Difference in satisfaction levels of each component, 2011 to 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<tr>
<td>-------------------</td>
</tr>
<tr>
<td>Job security</td>
</tr>
<tr>
<td>Wages</td>
</tr>
<tr>
<td>Health plan</td>
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<tr>
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<tr>
<td>Overall satisfaction</td>
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</table>

Source: The Conference Board
In recent decades, the US labor market has been experiencing a strong increase in the share of jobs in professional occupations, typically occupied by college graduates (Figure 7). Workers in these jobs experience higher job satisfaction than those in other jobs.

In recent decades, the share of management and professional occupations in total employment has been rapidly growing, contributing to improved job satisfaction readings.

Looking ahead: Where is worker job satisfaction headed?

In 2021 and beyond, we expect job satisfaction to continue to improve, mostly because of the expected significant recovery in economic conditions. By late spring, we expect the number of new COVID-19 cases to be significantly lower due to the rollout of vaccinations, and the economy could start adding jobs again at an accelerated pace. Between now and the end of the year, around 5.4 million jobs could be gained.

Adding to the reduction in the unemployment rate is the massive retirement of baby boomers and the long-run trend of slowing growth among the working-age population (16-64). In fact, for the first time in US history, the working-age population is shrinking. The weak growth in labor supply and the strong growth in demand for workers will lower the unemployment rate to about 4.3 percent by year’s end. When the pandemic hit, a tight labor market seemed to be years away, but it may reappear in 2022.

The trend among boards and senior management of perceiving workers as important stakeholders could persist beyond the pandemic. As a result, companies may continue to remain more supportive of their workers, which will support job satisfaction. Finally, the long-run shift from manual services and routine office jobs to highly satisfying professional jobs is likely to continue in the coming years, further raising overall job satisfaction.
About the Study

The Conference Board Job Satisfaction survey is a barometer of satisfaction from the perspective of US workers. Survey results are based on workers’ perceptions of their current role and their workplace environment. The Job Satisfaction survey questions are asked as part of the Consumer Confidence Survey®.

The Consumer Confidence Survey was conducted for The Conference Board by TNS (now Kantar) from 1967 through January 2011 and was a mail survey based on a nationwide representative sample of 5,000 US households. As of February 2011, the Consumer Confidence Survey has been conducted by the Nielsen Company and is a mail survey based on a probability-design random sample.

The Nielsen Company survey asks that only those currently employed complete the job satisfaction questions. The job satisfaction questions have remained unchanged since 1987, and responses are based on a five-point scale ranging from “least satisfied” to “most satisfied.”