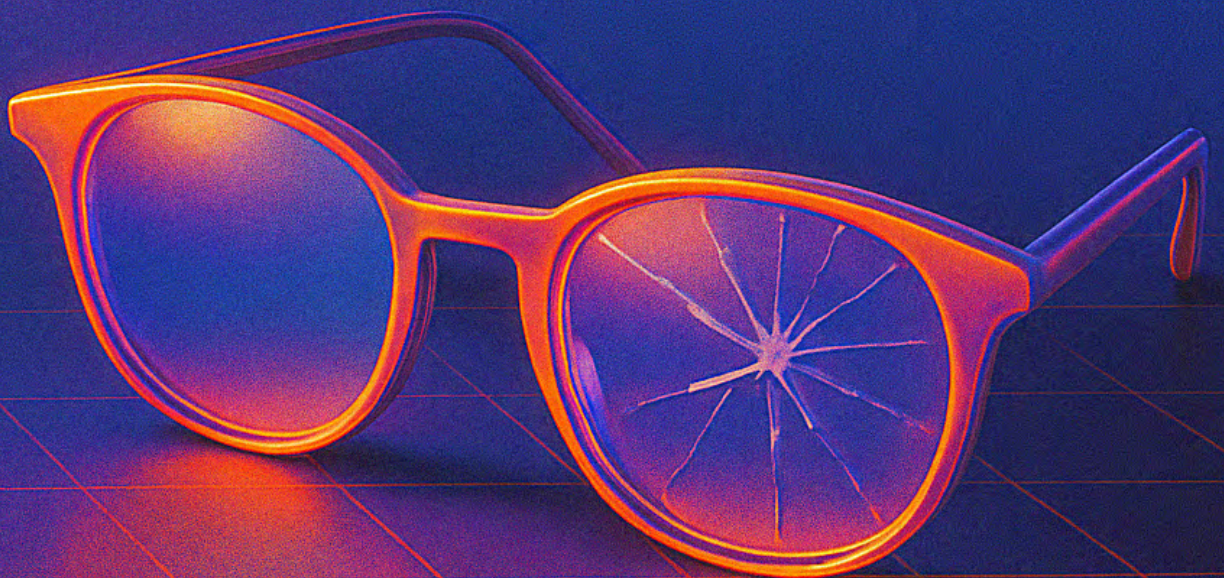


2025 EBOOK

HR and the Perception Gap

How well do your leaders understand their people?

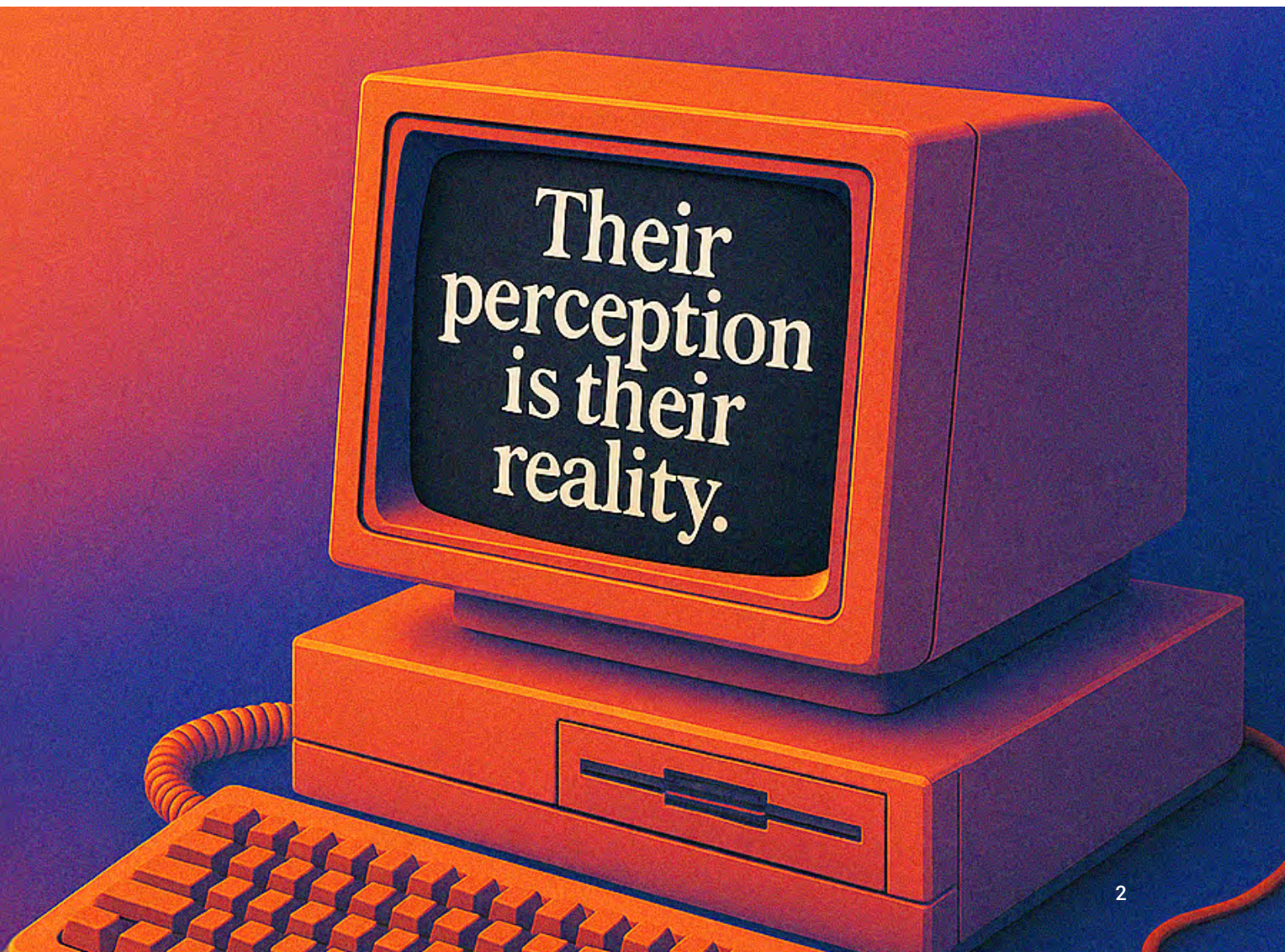


Half of today's workforce feels their bosses and coworkers *simply don't get them.*

According to our 2025 Workplace Perception Gap Survey, many employees feel their contributions are consistently undervalued. That should sound alarm bells for leaders — and serve as a call to action for HR teams ready to help.

When leaders operate on misguided perceptions, the perception gap widens. Businesses suffer from a lack of self-awareness at every level, risking poor engagement and productivity.

When it comes to how well employees feel their bosses and coworkers “get them,” one simple truth reigns:



How a person feels about a situation will inform how they act and respond, and how their colleagues respond should vary based on their behavioral makeup. Ultimately, that person's workplace happiness hinges on the accuracy of that response - not the accuracy of their perception.

And that's where **HR teams who lean on behavioral data to better understand their people can make an outsized impact**. But that impact requires a mindset shift.

"Traditional leadership approaches are failing to recognize the diverse behavioral drives and work styles that make teams successful," says Matt Poepsel, Vice President and Godfather of Talent Optimization at PI. So how should your business respond to its own perception gaps? It starts with collecting the right data, rooting your approach in reality.

“ Behavioral data provides the objective insights managers need to truly see, understand and develop their people, including those whose strengths may not always be immediately recognized.”

- Matt Poepsel, PhD



*Are you
narrowing
or widening
the gap?*



Too many businesses are led by a *misinformed mindset*.

The full findings from our 2025 Workplace Perception Gap Survey reveal a growing crisis of workplace misunderstanding.

Nearly half (46%) believe their boss only somewhat or rarely understands their contributions — a disconnect that may be more damaging to businesses than burnout.

“We’ve long focused on workload-related burnout, but our research reveals a more fundamental issue at play,” added Poepsel. “When employees don’t feel accurately seen or understood, it creates a perception gap that directly impacts retention, performance and innovation. This issue isn’t just about hurt feelings — this negatively impacts business results.”

Some amount of perception bias is inevitable. From the Horns Effect (making negative assumptions about a person based on their poor reputation) to Affinity Bias (giving preferential treatment to those with like backgrounds or interest), we’re all saddled with subjective slants.

The key to minimizing the impact of these biases is balance.

Behavioral data gives you more nuanced insights into how people are wired, balancing and offsetting our preconceived (and often misinformed) notions with objective data.



How HR can help narrow the gap

Make behavioral data core to your culture. A shared language of behavioral understanding helps you hire smarter, onboard smoothly, and retain top talent.

The perception gap too often dictates *promotions and pay*.

Perception often becomes reality - and that reality often manifests in the form of missed opportunity.

Few things will frustrate employees faster than being passed over - or worse, never even considered - for advancement. They say the squeaky wheel gets the oil, sure, but in a hybrid or remote workplace, sometimes it's harder to squeak.

Don't confuse private communication for a lack of collaboration. Every employee will share their work and their wins differently, and if you're operating on the assumption that the people talking about what they do most are *actually doing the most*, you may be overlooking (and alienating) other high performers.

You can balance clear criteria for fair promotions and performance evaluations with people's preferences for sharing and receiving information.

Make sure your managers and team leaders are evaluating according to that objective criteria - not basing their recommendations for advancement on arbitrary feelings or anecdotal evidence.



44%

..... say they've been overlooked due to misperceptions



How HR can help narrow the gap

Be cognizant of different communication preferences, and cater to them when possible, to minimize the chances for miscommunication.

It's not just what they do— it's *whether you notice*.

This issue is layered, with some respondents indicating their undervalue is related to a misunderstanding of the work they do. Others might feel fundamentally misrepresented in the workplace. In any case, HR can help alleviate the sense that people's contributions aren't fully recognized or valued.

It starts with measuring employee sentiment, to get a full sense of not only who's working on what, but who feels undervalued or misunderstood.

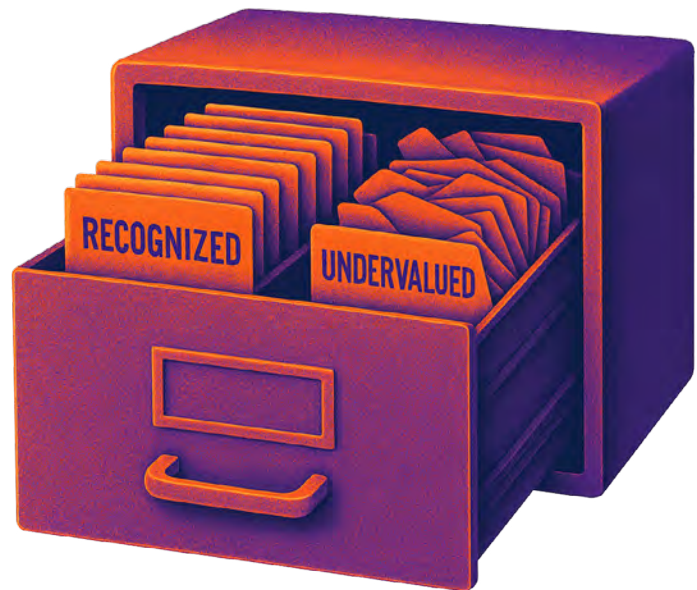
Are you gathering engagement data? What is it revealing about employee perception, and how does that compare to the reality of the situation? How are you acting on it, and how are you communicating those actions?

Once again, their perception is their reality. Take it with a grain of salt, perhaps, but make sure you take it into account.

48%

say their
contributions
are consistently
undervalued by
leadership.

.....



How HR can help narrow the gap

Running employee experience surveys helps HR understand their employees' pain points, in their own words, and provide actionable insights for responding.

If you don't see them clearly, they'll *stop showing up fully*.

Do your managers understand their people?
Do they truly understand themselves? These
are fundamental questions, essential to the
organizational self-awareness of any high-
functioning business.

Our survey asked how often managers provide
feedback that feels inaccurate or misaligned.
The alarming frequency with which employees
receive misaligned feedback suggests a need for
more manager training, specifically on providing
constructive and accurate feedback or coaching
conversations.

43%

receive feedback from
managers that feels
misaligned with
how they feel.

.....

Creating a culture of feedback isn't solely on
managers. It starts at the top, and it's perpetuated
by HR leaders who can help model timely and
actionable feedback. Because when feedback
isn't aligned with reality, you risk people doing
duplicative work - or worse, shutting down
entirely.



How HR can help narrow the gap

Train managers in providing feedback, and refine that training with time. Most managers
just need a blueprint - such as a behavioral profile - to start from.

When people feel unseen, their *potential stays hidden*.

The survey aimed to assess not only how accurately employees feel their contributions are understood by their boss, but also how accurately their colleagues perceive their contributions.

And while there are myriad potential factors, the antidote to rectifying the issue rides on recognition. Are people's wins being celebrated? Have you created a culture of recognition and retrospective? Are people being seen?

Even if your company culture prides itself on innovation and agility, don't let moving fast stop you from ever looking back at the people who helped innovate. Improvement often comes from introspection.

When you've laid the groundwork for everyone's contributions to be revisited and celebrated on a consistent basis, fewer grievances will follow. Employees will feel better understood, and more appropriately respected.

1 in 5

workers believe they're more capable than they appear.



How HR can help narrow the gap

Leadership sets the tone. When HR and senior leaders model self-evaluation—through team-building or workshops—they foster self-awareness.

Gen Z employees are often overlooked *more than anyone.*

The survey found that the perception gap hits younger employees particularly hard, with 54% of Gen Z reporting that manager feedback feels inaccurate or misaligned with their self-perception. And 62% of Gen Z employees surveyed felt overlooked for opportunities due to misperceptions - 18 percentage points higher than the overall workforce average.

This contributes to significant retention risk. After all, Gen Z will constitute roughly 30% of the workforce by 2030, and they're peppering job boards with applications.

If those broad-brush perceptions persist, we'll inevitably miss out on talent that decides to pursue alternative career routes. It's imperative that leadership - in HR and elsewhere - view the next generation through the same prism of behavioral diversity as the rest of the employee population.

Every Gen Zer has unique drives and preferences. Check your assumptions at the door, and try to evaluate every person objectively, unencumbered by bias.



How HR can help narrow the gap

Use behavioral data, not assumptions, to spot team gaps and strengths, and improve team performance regardless of age or tenure.

Proposed solutions to *close the gap*

The research identified clear priorities for addressing this workplace perception crisis, including:



Train managers to recognize and reduce bias

Help close the perception gap by increasing self-awareness and equipping leaders to recognize and reduce bias in everyday interactions.



Implement regular review intervals

Support more frequent, meaningful feedback to keep employees aligned, engaged, and growing over time.



Use behavioral data across individuals, teams, and the organization

Improve self-awareness, collaboration, and performance—something **80% of Gen Z employees believe would help their teams thrive.**

Biases come in many forms, and you won't root them out overnight. In fact, it's unrealistic to expect any organization to operate bias-free.

But by making transparency, feedback, and objective evaluation processes the norm, you leave fewer people feeling unseen. And as HR folks know well, people who feel valued, more often than not, return value in that investment.