

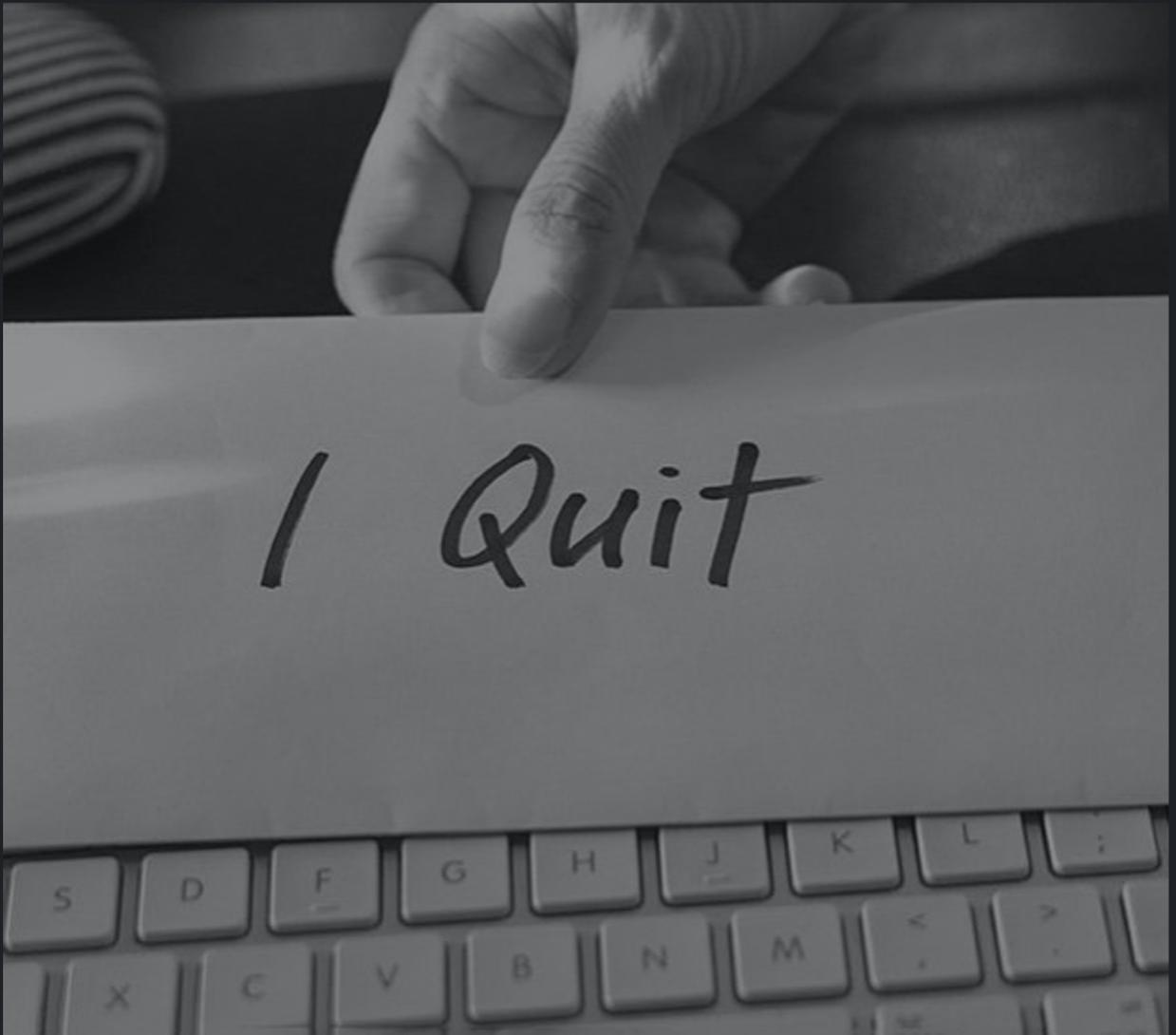


The Contribution Effect

Why contributions from both employer and employee is the secret to a committed, resilient & successful workforce

We have reached a turning point:

From the Great Recession to the Great Resignation, organizations are experiencing continuous, **unprecedented change**



The need to redefine the employee/employer compact has never been more critical

Today's organizations are experiencing continuous, unprecedented change. So are their employees, whom for 18 months have worked in new conditions – from non-essential workforces transitioning to being fully-remote over night to frontline workers experiencing greater on-the-job risk than ever.

As this more permanent state of flux sets in, its wide-ranging impacts are only beginning to be known. From evolving perspectives on how, where and even why work gets done, to shifting expectations around the need for physical, mental and emotional safety, we've seen a need to redraw the employee-employer compact.

We believe that those organizations who proactively plan and adjust to this “new normal” will see huge dividends, from improving retention and recruitment to increasing satisfaction and engagement, and ultimately, by creating a safe and positive environment where people can contribute based on their potential.

At the same time, in this “new normal,” we have also observed that the old playbook is no longer working. It's become clear that things have changed in terms of what employees need and want.



49%

of employees are **burned out**



49%

of executives identify hiring and retention as a **top threat to businesses**

Replacement costs to employers ranging from

30%

to

400%

of salary

Our End Game

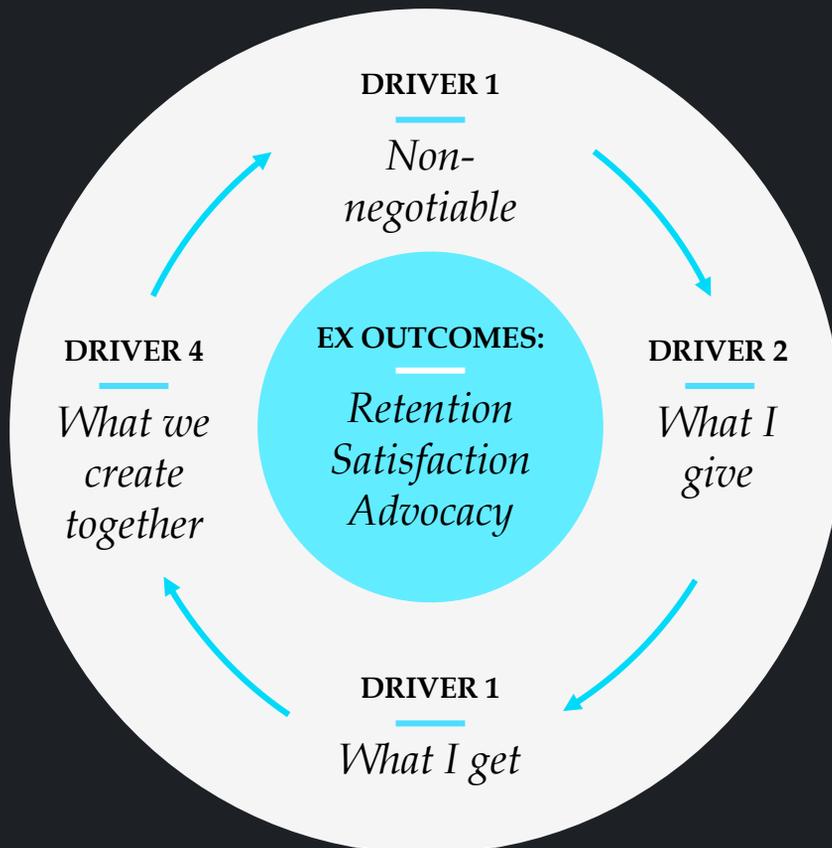
We set out to identify the **most important predictors of employee experience (EX)**.

To do this, we conducted a global survey, the insights of which highlighted a number of both rational and emotional drivers of experience. Some factors may not be top of mind for people, but using a derived importance methodology helped us identify them. One of the most important findings is that employee experience isn't a one-way street, and that employees view their own ability to contribute as essential to their experience.

Ultimately we identify four key drivers of EX, which together form a mutual model tied to increased satisfaction, retention and advocacy amongst employees at all levels.

Within this report you will find an overview of our research methodology, our key insights and a proposed model for EX.

A PREDICTIVE, MUTUAL MODEL OF EMPLOYEE EXPERIENCE



So, what matters most

*to employees in an
environment of
continuous,
unprecedented
change?*

To find out, we surveyed a diverse global workforce

We looked at both inherent diversity and acquired diversity. We looked at people of all levels within an organization as well as professional, front-line and manufacturing workers in equal measure. And finally, we looked at eight industries across seven global markets around the world.

Recognizing that there is no one measure that encompasses an employee’s experience, we sought to understand four different dimensions:

- Are they satisfied?
- Would they recommend the company?
- Do they expect to stay with the company?
- How does the company rank against its peers?

This study looks at which factors drive positive outcomes on these key metrics.

WHO THEY ARE:	INHERENT DIVERSITY	ACQUIRED DIVERSITY
	<ul style="list-style-type: none"> • Gender • Race/ethnicity • LGBTQ+ status • Age • Ability 	<ul style="list-style-type: none"> • Military/veteran status • Religious or cultural affiliation • Parental status • Education
HOW & WHERE THEY WORK:	LEVEL	JOB TYPE
	<ul style="list-style-type: none"> • Individual contributors • Managers • Senior leaders • Executives 	<ul style="list-style-type: none"> • Professional • Service / Front-line • Trade / Manufacturing
	INDUSTRIES	MARKETS
	<ul style="list-style-type: none"> • Healthcare/Pharma • Financial Services • Technology • Across industries 	<ul style="list-style-type: none"> • US • Canada • UK • Germany • Mexico • China • Japan

We considered employee experience (EX) from two perspectives

STATED IMPORTANCE:

First, we looked at **stated importance**, asking people to rank 19 organizational, behavioral and cultural factors by what matters most to them. This helps to understand what is top-of-mind for people. For example, what might come up in conversations with managers and leaders, questions from potential talent, and levers for negotiation. Through stated importance, we also can learn more about how employees are being treated.



What employees say is the most important to them in an ideal job

A ranking by employees of 19 organizational, behavioral and cultural factors

DERIVED IMPORTANCE:

In addition, we also looked at **derived importance**, testing 79 factors to determine if and how they are actually driving satisfaction, retention and advocacy. This approach indicates the hidden, correlated drivers that might otherwise be unknown, even to employees themselves.



What in employees' current work is actually driving satisfaction, advocacy and retention

Statistical analysis of 79 organizational, behavioral and cultural factors to assess correlation with EX

While both measurements are critical to understanding the needs of employees, derived importance is what helps us to determine what is going to move an employee from having a fine experience to an exceptional one and to up-level an employer to become a market leader.

Key Findings

Four key findings emerged, providing a roadmap for executives seeking to evolve and elevate their employee experience.

Together, these key findings create a comprehensive picture of the mutual commitment necessary for shaping a best-in-class employee experience. One where people are satisfied with their day-to-day, inspired to stay and motivated to advocate for their organization.

WHAT'S NON-NEGOTIABLE

Getting a “fair deal” at and from work is critical ... and evolving

WHAT I GIVE

Motivation to contribute is driven by purpose and appreciation

WHAT I GET

Flexibility is important, but as a driver of balance

WHAT WE CREATE TOGETHER

Fun drives a positive experience, but it needs to be meaningful

In looking at top-10 factors ranked by employees, one thing rises to the top: the importance of getting a “fair deal”

While it's not surprising that people put high importance on fairness, what is surprising is how the definition has expanded. Every factor in the top-10 can be associated with getting a fair deal. Where previously the concept mostly referred to pay equity and job security, emphasis has grown around how people are treated.

In fact, we see three main categories of “fairness” emerging:



CONTRACT:
I get what
I deserve.



ENVIRONMENT:
I am supported
emotionally.



EMPOWERMENT:
I am encouraged to
succeed.

In addition to creating an opportunity, this finding exposes a risk. Experiencing unfair treatment, particularly around inclusion and equity, is highly correlated with having a bad overall experience.

The top-10 things

employees say they are looking for in their ideal job (e.g. stated importance):

1. Job security
2. Positive work environment
3. Trustworthy peers
4. Competitive salary and benefits
5. Resources to be successful
6. Un-biased ability to succeed
7. Support for wellbeing
8. Fair treatment
9. Motivational, supportive leaders
10. Work/life balance

There is a troubling **threat to fairness** and to experience...

Unfair treatment represents the single largest negative influence on employee experience and contributes to potential flight risk. In fact, those who report unfair treatment also have lower satisfaction scores across all 79 factors that we believe contribute to employee experience.



employees report **experiencing unfair treatment**, including discrimination and harassment at work

THOSE WHO REPORT NEGATIVE EXPERIENCES...

... felt their organization

performed worse

on every single employee experience factor

... are more than

1/3

less likely to be satisfied, advocate for and/or rate their organization highly

AND, are

3X

more likely to leave their current employer than their peers

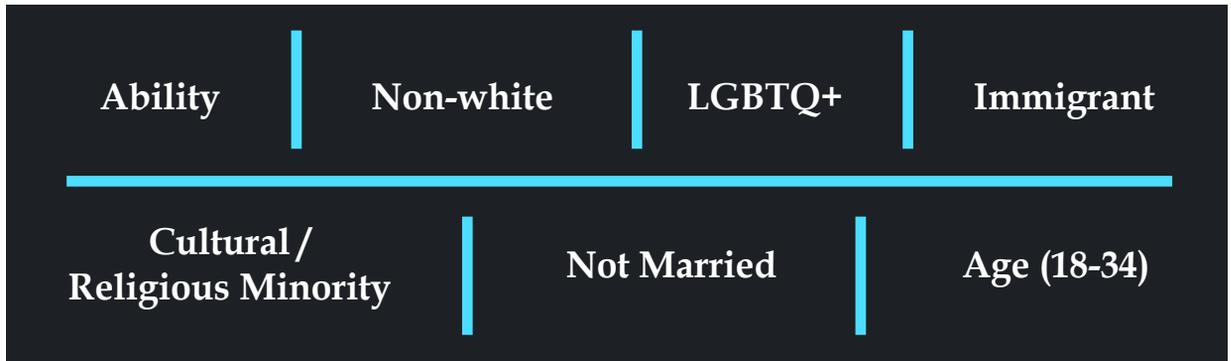
Creating and enforcing zero tolerance for negative treatment is not only critical for improving individual experience and retention, but also for addressing legal and reputational risk given the potential for employees to share their experiences publicly. We cover additional insights and recommendations on employee activism in [Employee Activism in the Age of Purpose: Employees \(UP\)Rising](#).

More on the unfairly treated:

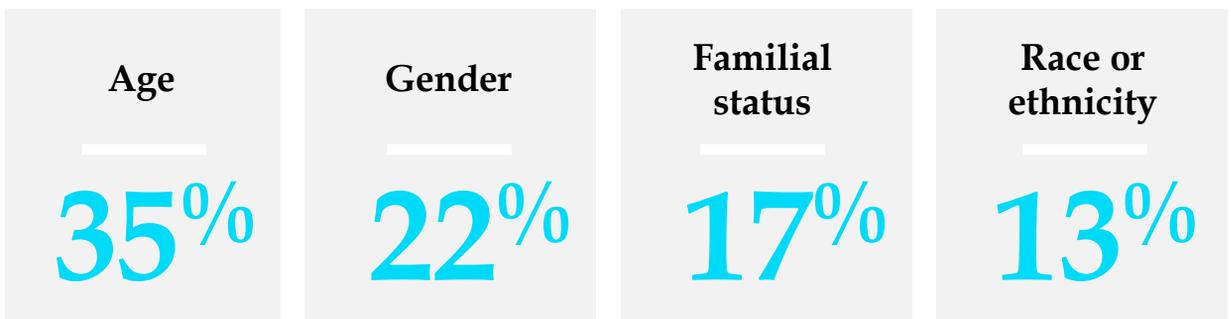
A deeper look at those experiencing unfair treatment, and on what grounds, leads to some interesting insights. First is the breadth of people experiencing unfair treatment. There is no one profile for the unfairly treated, though there is a profile for those that are NOT unfairly treated: they are primarily white and primarily male. There are some more themes that emerge in the reason behind the unfair treatment. The highest concentration by far is related to age, with sex, familial status and race or ethnicity representing slightly lower but still significant incidence rates.

In addition to being a reputational risk, unfair treatment is both a symptom of and can perpetuate a broken culture. Those that are unfairly treated at work can – and have every reason to – act as detractors both internally and externally. This in turn can dampen culture. Employers have a responsibility to diagnose and address culture to ensure inclusivity of all people. [Learn more](#) about employee perceptions of diversity, equity and inclusion.

TOP DEMOGRAPHICS REPORTING UNFAIR TREATMENT:



TOP REASONS:



Feeling valued for purposeful contributions a key predictor of employee satisfaction

When it comes to derived importance, we see that appreciation and motivation are very close to the top of the list. People want to do good, purposeful work and in turn get recognized for it.

While employee burnout is making headlines, we can know from the data that "less work" is not a silver bullet: a reasonable workload **only ranks #46 of 79 potential drivers of EX**. Employers will have more impact on burnout and satisfaction if they focus more on the quality and context for work than on work volume. Getting the "What I Give" driver right is especially important: **70%** of employees who report feeling motivated are also satisfied with their jobs, vs. **6%** who are not.

Ultimately, people want to come to work and feel appreciated, feel motivated and energized to do the work. Motivated employees, in turn, offer increased contribution both to the bottom-line and to the organization by role-modeling their commitment.

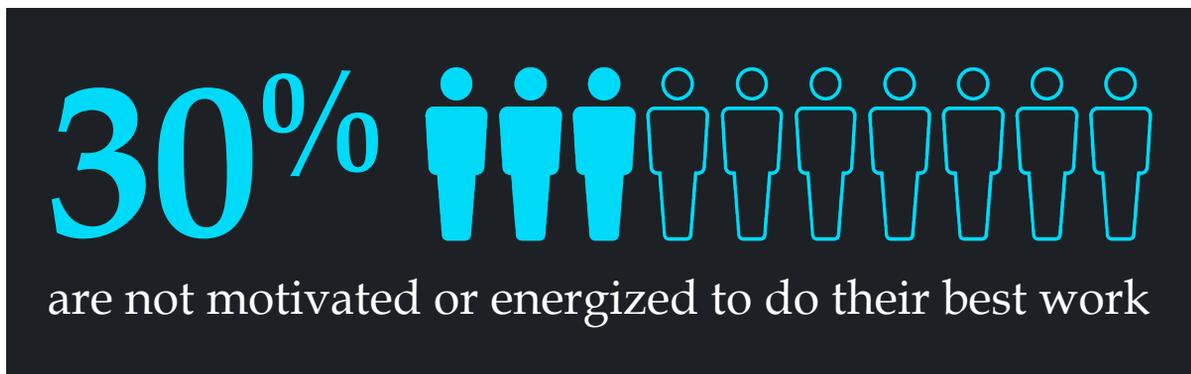


70% of employees who report feeling motivated are also satisfied with their jobs, vs. **6%** who are not.

A virtuous cycle which is often interrupted by unsupportive behaviors

Unfortunately, despite desiring motivation, three in 10 employees are not energized to do their best work. There are many factors likely contributing to this lack of motivation: their managers aren't committed to their success, they're not getting enough feedback and they're not being supported in their day-to-day activities.

Addressing this gap will require focusing first on these three areas through the proper training and enablement of managers and leaders.



30%

do not agree their manager is committed to their success

29%

do not agree that they are getting enough feedback to keep improving

29%

do not agree that management is supportive of their day-to-day activities

Retention linked to balance, not just remote work

In today's environment a lot of attention is being paid to workplace flexibility, and rightfully so. In the midst of a pandemic, flexible work arrangements have increased individual safety and individuals' abilities to meet the demands of work and their personal life.

Surprisingly, however, **remote work** has far less power to drive retention than does the broader goal of achieving **work/life balance**. The former could be considered a tactic to support the latter, but the important point is to focus on a host of ways to drive balance beyond simply remote work.

Workplace flexibility can be an indicator of the type of culture and contract a *prospective employee* might experience at a new workplace, and a key tactic for supporting current employees.

What matters most in the long-term, however, is what workplace flexibility symbolizes. Giving people the autonomy to self-manage demonstrates trust and confidence and conveys a willingness to listen and to meet employees where they are.

ONLY HALF OF EMPLOYEES REPORT HAVING THE OPTION TO ...



Work remotely at least part of the time



Take advantage of different work arrangements to meet their needs



Arrange their work schedule to meet personal or family needs

IN TERMS OF DRIVING RETENTION...

The ability to work remotely is only

#58

...while achieving work/life balance is

#5

Surprisingly (or not), fun rises to the top. But what kind of fun?

Having a positive work environment and a fun place to work rank number one and four, respectively, out of the 79 factors driving derived satisfaction. Notably, employees who consider their work environment to be positive are more than **7X more likely to stay**, while employees who experience fun at work are more than **5X more likely to perceive their organization as among the best**. What's more, having a positive work environment is also at the top of the list when it comes to stated importance, second only to job security. So, creating a positive environment is critical to employees in both the long and short terms.

Given the challenges of the past year, this is both unexpected but also not quite surprising. With so many challenging external forces, people are looking to their workplaces as havens for mental and emotional engagement. And this is where defining "fun" becomes key: in this current environment, gimmicks such as employer-sponsored rec rooms with fancy snacks do not cut it.

Designing an employee experience that prioritizes fun and positivity is really about getting people immersed in solving problems that are novel, hard and important. It's about creating deeper affinity to peers, and ultimately to the employer.

Note that this does not require in-person connection. A fun and positive environment can be achieved anywhere by creating points of meaningful connection to the work and to each other.

“

A fun place to work

#4

69% who experience a fun workplace perceive their organization as among the best

“

A positive work environment

#1

73% who indicate they work in a positive work environment are likely to stay (vs. 10% who indicate they don't)

Employer brand credibility is more important than ever

Now more than ever, employers need to portray themselves accurately both internally and externally. This requires telling a story that is authentic to employees' lived experiences throughout all stakeholder engagement - from recruitment to retention, across employees, customers and in communities.

In the context of the Great Recession, the story that many employers have been telling - flexible work arrangements, benefits and perks, etc. - focus on addressing the symptoms. To make meaningful, long-lasting improvements to employee experience, improvements that will result in higher satisfaction and retention and greater advocacy, employers should seek to address the root causes. This means creating an environment where: all employees are treated fairly in all aspects of work, work is tied to meaning and purpose, work/life balance is facilitated through flexibility and autonomy, and deep fun is prioritized as a shared responsibility.

When they don't, it becomes a big reputational and cultural risk. Together with Weber Shandwick and KRC Research, we have been studying the "[employer brand credibility gap](#)" - and how to close it - for several years.

In 2017, we found that a wide employee/employer gap **reduced loyalty, commitment and organizational citizenship**



Today, it is the **7th** most important driver of EX

“*My organization portrays itself publicly in a way that matches what it's really like to work there.*”

Closing the Gap

on EX in today's world requires that both employers and employees **make a contribution.**

After seismic changes to our ways of working, it's time to also **reimagine how we engage with employees and each other.** The onus is not just on employers, however; our findings show that the best way to move forward as an organization – and to benefit from strong recruitment, satisfied employees and high levels of advocacy – **requires contributions from all levels of the organization.**

To be certain, leaders are still accountable for setting the right people policies and leading by example. But it's also up to managers to appreciate and motivate their teams.

Perhaps most important is employees' commitment to each other. Creating a workplace where people are supportive, positive and fun is the responsibility of everyone. This is the mutuality that will really drive the future of employee experience.

Making a contribution

Employee experience is driven by the strength of contributions made by **leaders, managers and individual contributors** to fostering an inclusive, caring and productive culture.

And from there, we can build a model for how these contributions can be activated, including the responsibilities we have to each other and those that we share. Over 50 percent of an individual's likelihood to advocate and be retained and satisfied is driven from these four major factors.

What's more, this model is universal to all types of workplaces, no matter where in the world it is, the demographics of its people or the industry it supports.



Assessing employee experience with the Contribution Quotient

To assess the degree to which an organization is offering a superior employee experience, the Contribution Index looks at performance on all dimensions of the employee experience model to assign an overall rating. This gives organizations a macro view of how they are doing, with the further ability to dive deeply into performance on each dimension.



is the average **Contribution Quotient** across all organizations, with 17% achieving an excellent score of 90 or above

SOME DIFFERENCES DO EXIST BY SUB-SEGMENT...



The higher the Contribution Quotient, the more likely an organization's employees will stay, advocate for the company and feel satisfied. It takes focus and action to achieve higher scores, and it is important to consider all dimensions of employee experience – paying particular attention to those areas that are bringing down the average.

Mutual contributions:

*actions that drive improvements
in employee experience*

WHAT'S NON-NEGOTIABLE

- **Safety & accountability:** Setting strong ethical standards and being visible, vocal and vigilant about upholding them
- **Transparency & trust:** Ensuring clear and timely communications around organizational changes
- **Representation:** Committing to improving diversity, equity and inclusion so that every employee has a place within the organization

WHAT I GIVE

- **Purpose:** Demonstrating how individuals' contributions align to both the strategy and greater mission
- **Recognition:** Formal and informal mechanisms to allow peers, managers and leaders to publicly acknowledge great work
- **Feedback:** Setting the norm for both real-time and long-term feedback to enable continuous improvement, learning and growth

WHAT I GET

- **Focus:** Ensuring employees have the time and physical space to contribute to the best of their ability
- **Encouragement:** Providing agency over work and the support to take responsible risks in pursuit of personal and business development
- **Management of Pressure:** Support from managers and teammates to balance work and day-to-day activities

WHAT WE CREATE TOGETHER

- **Listening, learning & actioning:** Creating the space to safely raise thoughts, opinions, concerns and ideas – about business and culture – and a commitment to turn these ideas into collective action
- **Culture:** Fostering shared responsibility by involving employees in evaluating, reshaping and evolving culture

How we can help:

Depending on your context and timeline, we have two options for supporting you in taking action on your employee experience:

1 nexus Diagnostic: Run a quick-turn diagnostic to benchmark your current employee experience and develop an action plan for improving it.

Timeline: 4-8 weeks, depending on size and number of segments within the employee population

2 Mutual People Compact: Formulate a long-term compact and EX strategy with employees that clarifies the “give and the get” of mutually reinforcing employee experience.

Timeline: 4-6 months, dependent on the speed to which we are able to drive stakeholder alignment

1 Benchmark your current EX: The **nexus** Diagnostic

The **nexus** diagnostic enables companies to measure and benchmark a holistic set of drivers for employee experience. We can either run a brief, 10-minute survey with the employee population, or use your internal data to provide us with a view on performance against the four drivers of the mutual experience model.

The diagnostic enables us to identify “hot spots” in a segmented way across the employee population, and work with you to build an action plan for addressing those gaps that includes KPIs.

A typical timeline is 4-8 weeks, depending on size and number of segments within the employee population.

SCORECARD

	TOTAL	NORTH AMERICA	EMEA	LATAM
DRIVER 1: FAIR CONTRACT	+7%	+8%	+6%	+9%
DRIVER 1: FAIR TREATMENT	-2%	-7%	+8%	-3%
DRIVER 2: PURPOSE-DRIVEN	+10%	+6%	+8%	+15%
DRIVER 2: VALUED CONTRIBUTIONS	+12%	-1%	+15%	+9%
DRIVER 3: INDEPENDENCE AND AGENCY	-10%	-15%	-2%	-7%
DRIVER 3: WORK-LIFE BALANCE	-13%	-15%	-8%	-5%
DRIVER 4: POSITIVE ENVIRONMENT	-1%	-7%	-2%	9%
DRIVER 4: CULTURAL STRENGTH	+9%	+6%	+12%	+8%

ACTION PLAN



2 Drive mutual commitment: the Mutual People Compact

We consider this an evolution of the traditional EVP in that it looks beyond what's in it for employees by also looking at what's in it for the company. If the company promises its employees a superior experience, then what should it expect in return? The answer is an employee population that acts in accordance with company values. We address the intersection of experience and values with the mutual compact.

The mutual people compact is informed by a number of inputs including the mutual experience diagnostic; company purpose, values and desired behaviors; and employee / competitive analysis to identify what's differentiating and special about working at the company. We then put the compact into process through an adoption / change plan to drive awareness, behavior change and stickiness.

A typical timeline is 4-6 months, dependent on the speed to which we are able to drive stakeholder alignment.

APPROACH AND OUTPUTS



We are

unitedminds

A consultancy dedicated to helping organizations transform.

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