BUILDING A PEOPLE-FIRST CULTURE OF CONNECTION: A GUIDE FOR EVERY HR PROFESSIONAL

Leapgen White Paper

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INTRODUCTION AND METHODOLOGY

Leapgen and ADP conducted research to identify actionable insights and recommendations for U.S.-based employers. Our goal is to share ways every HR leader and every organization can build a peoplefirst culture of connection, one that will be inclusive, empathetic, and high-performing.

In July 2021, Leapgen surveyed 2,856 working adults in the U.S. with the following verified attributes and with full permission to use their data:

- Employment status
- Age
- U.S. residency
- Gender
- Race/ethnicity
- Length of time at current job
- · Income level and number of incomes in a household
- Education
- Job type
- Company size
- Whether or not they supervise people

EXECUTIVE SUMMARY

How we work and what we expect from our employers have changed dramatically as a result of the COVID-19 pandemic. Employees are leaving their jobs in droves, putting increased pressure on employers to create a better work environment for their team members.

Frontline workers are demanding better compensation and working conditions. Many employees are demanding more flexible schedules. Not all workers want to work onsite, fueled by COVID-19 concerns or just because they recognize it's not their ideal working environment. Others love the flexibility, lack of commute, and more time with their families.

Employers facing new realities of hybrid work and the digital workplace are forced to handle many challenges. Leaders are required to manage through shifting compliance needs, and facility and workplace safety demands. Employee expectations around communication, support, resources, and digital culture, and equity of access, experience, and technology are higher than ever. However, challenge brings opportunity. Many employers recognize the ability to leverage flexible work models to access talent anywhere, increasing competitive edge and diversifying the workforce like never before.

Creating a people-first culture of connection is paramount to unifying, supporting, and elevating people to thrive in this new Now of Work. Leadership, not just but including HR, is called to design and sustain a culture and workforce experience where employees feel a sense of belonging, feel known and appreciated by their supervisors, and are aligned to organizational values. This can be especially challenging in a hybrid workplace, but it's possible. Not only is it possible, it's necessary to better enable workers by truly knowing them. This has always been true; perhaps what feels like a workforce revolution is an evolution of our understanding of the workforce.

To create long-lasting and stronger connections, regardless of work location, employers must understand what is most important to the workforce. Leapgen and ADP research validates that creating a culture of connection starts with the fundamentals. You must first provide for physical and security needs with competitive (fair and adequate) pay and benefits. Once the foundation is laid, employers have an opportunity to build and foster greater and deeper connections, develop engaged teams to improve retention, grow better leaders across the organization, and increase workforce productivity.

This white paper provides empirical analysis as well as our recommendations based on survey results. Employers can meet the demands of workers, but they need to examine what they've been doing and whether their current methods are successful. Doing things "the way we've always done them" is no longer adequate in rapidly evolving workplaces.

ESTABLISH A SOLID FOUNDATION FOR CONNECTION

As economies recover and labor markets continue to shift in response to any number of forces, most U.S. businesses find themselves facing a massive talent shortage. There aren't enough people to do all the jobs, or there aren't enough people who want to do the available jobs. Economists will analyze the current labor market for years to come, but what we know for certain in 2021 is that it's hard, bordering on impossible, to attract and hire the same workers who were impacted by job loss during the pandemic. Many factors are contributing to this issue,¹ but it is clear from our research that workers care greatly about job security and both fair and competitive compensation. If employees were laid off, they are unlikely to trust the company that let them go.

We asked all respondents if their job changed over the past year, and over a third of workers (37.5%) changed job responsibilities during pandemic. Of those who changed responsibilities, our research found:

56% of respondents *changed jobs completely* during the pandemic

Nearly half of respondents had their compensation and/or benefits reduced.

Evidence suggests that a significant portion of these people trust their employers less now than they did prior to the pandemic. The data makes it clear why employees are concerned about job security and compensation/benefits. If employers are perceived as not meeting their employees' basic needs, they will struggle to attract and retain talent.

The pandemic has given people all kinds of reasons to change direction. According to a Gallup 2021 study,¹ "2020 was a stressful year, but not all regions experienced the same levels. U.S. and Canadian workforces saw the highest levels of daily stress globally: 57%." What's more, employed women in the U.S. experienced higher than average levels of stress, with 62% of working women reporting levels 10 points higher than working men.

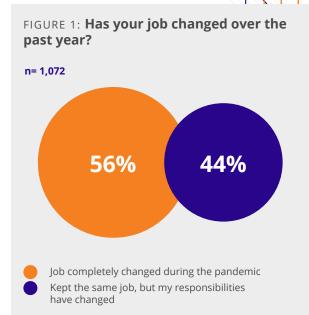
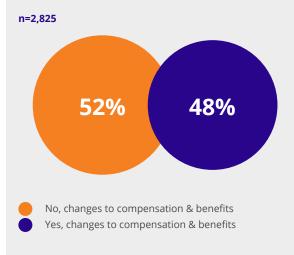


FIGURE 2: Were your benefits and overall compensation reduced during the pandemic?



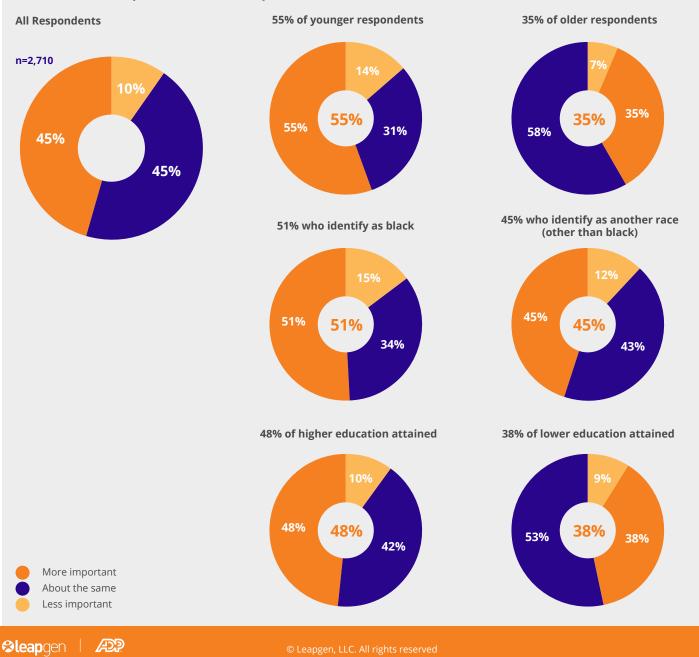
1. "Jobs Are Hard to Fill, and Ideology Makes It Hard to Understand Why," *Wall Street Journal*, June 30, 2021

Respect and Understand the Need for Job Security

Overall, nearly 90% of all respondents found job security important. (Perception on job security is almost an equal split of 45% "more important", 45% "about the same"). 55% of workers aged 18–39 view job security as "more important", challenging a general perception that young workers devalue loyalty and prefer to "jobhop" to get ahead in their careers. In addition, 56% who have a graduate degree, and 51% who identify as Black view job security as "more important".

Almost 45% of respondents value job security more now than before the pandemic.

FIGURE 3: How has your view of job security changed since the start of the pandemic? (The following are intersectional responses to "more important").



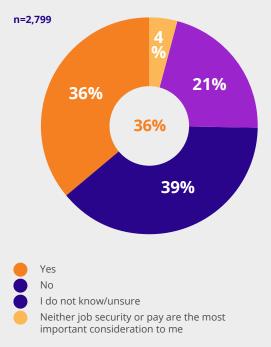
Our research also found that almost 36% of respondents are willing to change jobs, even if the job paid less, in exchange for greater job security.

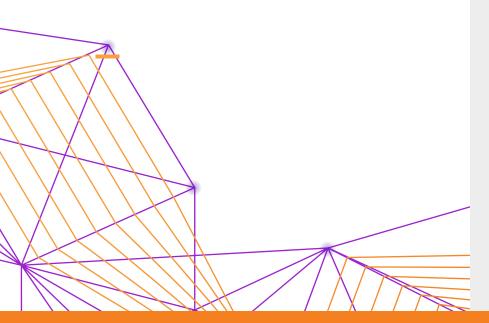
More than 45% of multiple income households were more likely to change jobs, even if they were paid less, for greater job security. This compares to 27% of workers from single-income households.

More than 1/3 of all respondents would consider changing jobs with less pay but more job security.

Leadership Action

Going forward, HR and business leaders should better consider the significant impact of layoffs and furloughs on the psyche of their workers. Not only can it demoralize those who survive the layoffs and furloughs, it can also affect an employer's ability to attract and retain new talent. Leaders need to look at all available options before making any change with far-reaching business and human impact. Consider cost saving measures as viable alternatives, like the willingness of employees to reduce their salary for a short duration while keeping healthcare intact, for example. FIGURE 4: Would you move to a new job if you felt that it provided greater job security, even if it paid less?





Drilling Into Worker's Biggest Challenges

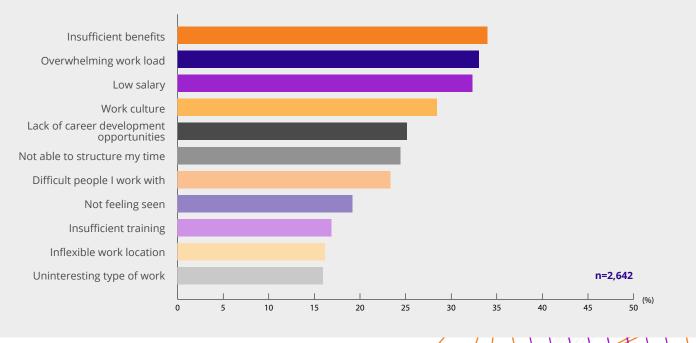
Beyond job security, our research shows compensation and benefits are by far the most important to workers in driving job satisfaction.

When asked what is most important for job satisfaction, respondents cite competitive pay (63%), financial benefits (48%), and competitive health benefits (30%) as either 1 or 2. This was consistent across age, education level, gender, race, and income groups.

We asked respondents what they consider to be their "drainers," which are perceived challenges at work. While insufficient benefits (34%) and low salary (32%) are in the top four drainers, there is also overwhelming workload (33%) and work culture (over 28%). The good news is that most respondents have returned to pre-pandemic compensation and benefits levels. However, the higher the salary, the more likely they were to return to a similar or slightly higher salary.

Financial benefits, competitive pay and health benefits are the most important factors for job satisfaction consistently across age, education level, gender, race, and income groups.

FIGURE 5: What feels draining about your current job?



Leadership Action

Survey your workforce to understand multiple facets of work sentiment, including the level of impact compensation and benefits have on employee satisfaction and overall engagement in your organization. Our study results were reinforced by a Gallup 2021 study showing how organizations need to maximize pay strategies, including a holistic total rewards program.

Equally important, organizations should empower managers to demonstrate more compassion; create a safe place for conversations; and give teams a sense of purpose, inspiration and motivation to perform. These types of managers can help motivate people to stay at an organization.

Survey your workforce to understand:

How should you be paid?

Personalizing and democratizing workforce experience is the fastest way to get it right.

How much do certain types of pay matter?

In other words, are we competitive?

What types of benefits do you desire most?

Are we offering the right kind of benefits for all of our populations? Is there value in offering voluntary benefits (e.g., insurance for disability, life, accident, critical illness, hospital)? This is also a total rewards conversation, and some workers may need to better understand the concept of "total rewards"

Are you able to easily access the benefits you have available? Many are not aware of all benefits or find it cumbersome to access.

Are you easily accessing information you need and using the benefits you chose? We don't know until we need it, and we often don't see friction points until we use something.

Would you like to see better ways to collaborate at work? Invite suggestions and create space for innovation.

Do you feel you have a safe place to provide feedback? Just asking the question creates a safe space.

Do you feel you have the right opportunities to grow within the organization? Organizations evolve when their people evolve. Nearly 70% of all respondents feel like they have a safe space to voice concerns. But digging into the data found some groups were far less comfortable voicing concerns.

Those who do not identify as male are less likely to feel they have a safe space at work than those who do (65% to 73%).

Leadership Action

Keep in mind, some employees may not want to discuss these needs with you for fear of job security. It is important to create a safe space to have open and honest discussions like this, removing fear of judgement or adverse reaction and providing accommodation for open input. Our research shows that 55% of respondents prefer to talk to someone they trust, and 30% prefer to submit their concerns anonymously. Only 15% are comfortable voicing their concerns in a group setting.

A sense of connection and safety and willingness to speak openly is highly personal and unique to the individual. Be willing to survey your entire workforce, cut your response data in every possible way, assess the intersectionality of your workforce and analyze thoroughly to get a true sense of what every group or person feels, down to the location, department, job function, notable demographic, and individual. FIGURE 6: Do you feel you have a safe space to voice your concerns about what feels draining about your current job?

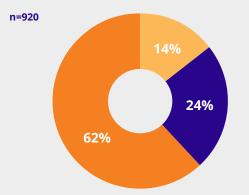


Listening is the Foundation of Connecting

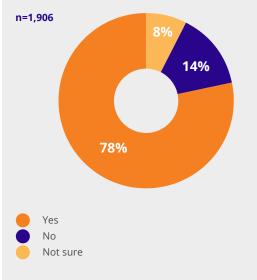
Employees with lower levels of education (some high school, high school, trade school or prefer not to say) are less likely to feel they have a safe space to voice concerns than those with graduate degrees (62% vs. 78%).

FIGURE 7: Do you feel you have a safe space to voice your concerns about what feels draining about your current job?

62% of lower education attained feel they have a safe space to voice concerns



78% of higher education attained feel they have a safe space to voice concerns



Leadership Action

Be creative in thinking about all the ways you can meet your employees' foundational needs. Listen to your employees and provide safe spaces for them to share concerns and ideas. During "The Great Resignation,"² employers are pressured to figure out what will entice employees to return and to stay.

Management can play a big role in positively influencing employee wellbeing by having honest and meaningful developmental conversations with their team members. HR can re-examine benefits programs and strengthen them. Our research shows strong health and retirement benefits were more frequently part of a respondent's dream compensation package, with more than 70% indicating they were more important factors than salary or hourly pay.

Until employers meet their workers' basic needs—like job security, strong benefits, reduced workloads, healthy work culture, and a safe space at work—they will not be able to forge a meaningful culture of connection with their employees.

Organizational Spotlight

A leading American sportswear brand company demonstrated recognition and appreciation for the hard work their staff had been doing for the past 18 months by giving the entire workforce a week off leading up to Labor Day. During this national holiday representing both a day of rest as well as a transition from one season to the next, this was a small token but significant gesture to allow every employee to recharge.

2 "As The Pandemic Recedes, Millions Of Workers Are Saying 'I Quit'," NPR, June 24, 2021

BUILD ON THE FOUNDATION TO CREATE A STRONGER BOND WITH EMPLOYEES

Reducing or eliminating energy drainers begins at the top. Line managers and their team members will take the lead from executives. Start there, but give managers the development and coaching they need to make your organization a great place to work. Step back and consider whether you have the right people holding leadership positions in the first place. Assess whether their leadership style is contributing to or mitigating the energy drainers of your workforce. Not everyone is cut out for this next generation of leadership. But it's just as important to develop promising leaders. Look into ways leaders can address energy drainers, like reducing workloads, leveraging new technologies to enable meaningful conversations on a more regular basis, and making hard decisions about reprimanding or removing "bad apples" who drag down team culture.

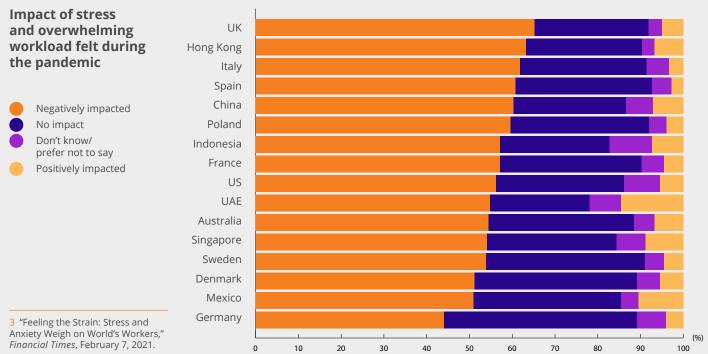
Leadership Action

Managers must have strong connections with their team members to understand if they are feeling overwhelmed from workload or other stressors. Better understanding of issues leads to appropriate corrective actions to lessen the load:

- Distribute workloads fairly and evenly
- Look for technology opportunities to streamline and automate manual and repetitive tasks
- Provide opportunities for team members to build skills to increase their capacity and contribution
- Share responsibilities across team members

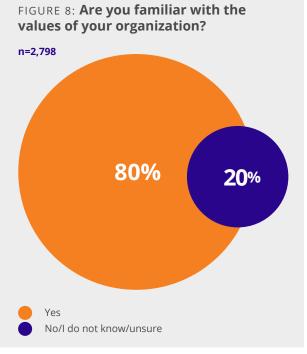
Lessen Employee Workloads to Reduce Stress and Burnout

Additional research³ outside U.S. confirms high levels of stress and overwhelming workload felt during the pandemic.



Cultivate Connection by Communicating and Reinforcing Your Organization's Values

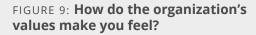
Leaders must build strong connections with their team members to create and maintain an engaged workforce. This includes making sure the organization has well-articulated and commonly understood values.

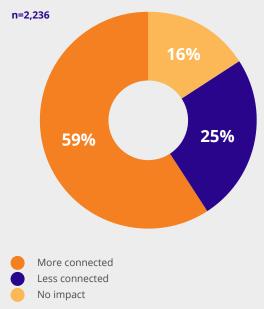


In our research, nearly 80% of workers are familiar with their organization's values. Unfortunately, of the remaining 20% who did not know or were unsure whether they knew their company's values, 34% did not know where to find this information. On the bright side, nearly 60% of workers indicate their organization's values make them feel more connected.

The workers whose organizations have clearly stated purpose and values also believe their workplace culture reflects those values reasonably well. More than 50% of respondents said their employers had specific measures to hold themselves and their leadership accountable for their values (51%). They also said their organization's leadership reinforces the company values in their actions and words (57%).

Nearly 35% said their organization did not have documented values.



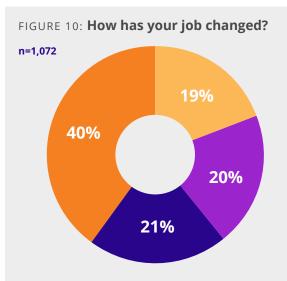


Leadership Action

Define your purpose and values and communicate them well and frequently to your workforce. Use the communication channels that make the most sense based on workforce demographics. Also, make it easy for employees to find the information you communicate about the organization's values. These values should be on your website, intranet, and any other internal digital properties that are employeefacing. More importantly, leaders should frequently reference and reinforce these values with their behaviors, and in written and verbal communications. Employers should use ongoing listening efforts that were used during the pandemic to reflect on their organization's values. If there has been enough of a shift in their strategies and/or the needs and preferences of their workforce, now may be a good time to revisit and adjust those values. Either way, they should be used to direct all of leadership's actions.

Foster Connection by Listening and Responding to Your Employees

Of the 56% of workers whose jobs had changed during the pandemic, nearly 20% left for a better opportunity at a new organization. To improve connection, start with simply listening to your employees. Many organizations do not understand why employees leave.



New role in the same organization I willingly and proactively switched roles Better opportunity at a new organization New role in a new organization

Leadership Action

Managers need to listen more and use a variety of methods to gather information from their team members. Take the necessary time and make an effort to dig into and act on feedback you receive. HR should help managers find more listening opportunities to understand what is important to their workforce.

Organizational Spotlight

A large retailer uses "Stay Interviews" to help them understand why their employees are staying with the company. This is more proactive than "Exit Interviews," when it is typically too late to do anything to retain the departing employee.





FOSTER DEEP CONNECTIONS **AT ALL LEVELS**

After you make sure you are meeting your employees' basic needs by listening to them and addressing their concerns, you are ready to connect on a deeper level. You can start doing this by putting the employee at the center of the experiences you deliver.

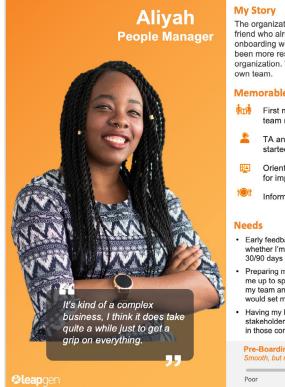
It's impossible to put all employees at the center of the same experience. To be successful, it is important to respect the differences various populations may face as a part of their job, personality, or personal backgrounds.

Develop Personas and Their Work Journeys Across Multiple Demographics

Persona and Employee Journey Map Example

Personas

Personas are fictional but realistic representations of different types of employees; they are developed using research, listening tools, and data. Viewing employee experience through the lens of personas will help you meet your workers' unique career development needs and objectives. Personas are not static. If organizations developed personas in the past, they will need to be reassessed as those organizations start to move from fully remote to hybrid or back-to-office models of working.



The organization's mission is one of the big reasons I wanted to join, and I have a friend who already works here who had great things to say about the culture. My onboarding went as expected and was smooth for the most part, but I wish there had been more resources about my role and how it connects to the goals of the team and organization. Working remotely also makes it difficult to find time to connect outside my

My Drivers

Frustrations

Build Connections

Provide Value

Rewards &

Recognition

Growth & Learning 🔴 🛑 🔵 🔵

Live Our Mission

· I don't have a lot of time to focus on

had gotten deep into my work

The reference process was stressful

because I hadn't given notice to my

making connections once I get started

because there is so much to do. I wish it had been a priority early, before I really

Memorable Moments

- First meet-and-greets with key team members
- TA and IT support made getting started easy
- Orientation was great crash course for important topics
- Informal connections in the cafe
- · Early feedback on how I'm doing and whether I'm meeting expectations in the first
- Preparing me for day one includes getting me up to speed fast. Any information about my team and the objectives of the team would set me up for success
- Having my leader make introductions to key stakeholders helps me feel more confident in those connections (virtual)

current employer Equipment provided had to be replaced multiple times within my first year Pre-Boarding Smooth, but not memorable Week 2+ Week 1 When do I check in? Lots of meetings Great Poor Great Great

Leadership Action

- Develop personas that allow you to understand the varied populations that make up your workforce. You cannot put employee needs at the center of workforce experience unless you understand all sentiments and preferences for all options and work models.
- Visualize the future experience of your employee populations, what each type of employee journey will look like. Fully illustrate these journeys, being sure to show where career growth and development opportunities need to be delivered, whether digitally or in person. Our research found that many respondents were most likely to consult with their colleagues (49%) or managers (47%) for career development.

Assess and Reassess Work Model Options with Employee Input; Update Personas to Reflect Any Changes

In our research, 63% of respondents indicate in flexible work models. There were no significant differences based on age, gender, ethnicity, time in the workforce, income level, multiple- vs. single-income households, education level, organization size, job, or people manager vs. individual contributor.

Though returning to the office is top of mind for many leaders, we found that workers most frequently want:

- Compressed work weeks (45%) (such as working 4 days a week with slightly longer work days)
- Flexible work hours (43%) (such as working 10am–6pm rather than 9am–5pm)

Flexible work models and compressed work weeks ranked higher than fully remote or permanent telework options (32%). Employees cited these top three reasons for their interest in remote work models:

- More time to spend with family (63%)
- Personal safety (COVID-19 concerns) (58%)
- More balanced lifestyle (57%)

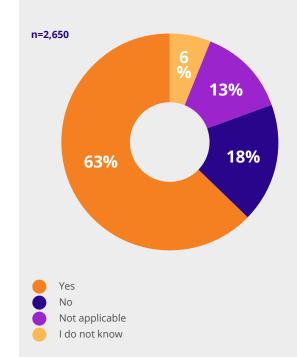
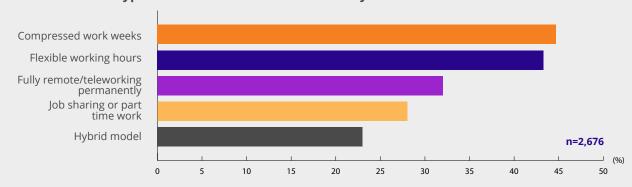


FIGURE 11: Interest in flexible work models

FIGURE 12: What types of flexible work models would you be interested in?



Sleapgen | APP

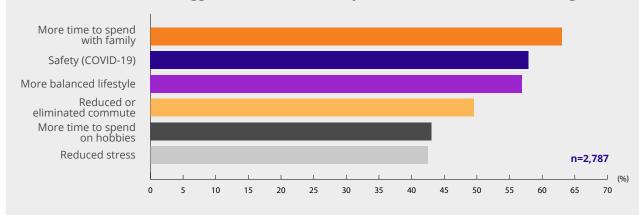


FIGURE 13: What are the biggest factors that make you interested in flexible working models?

Our research found workers do not necessarily want to work from home full-time. They do, however, want flexible work models. In other words, they want choice. Organizations who fail to find ways to offer choice and flexibility will lose staff to competition who does.

Leadership Action

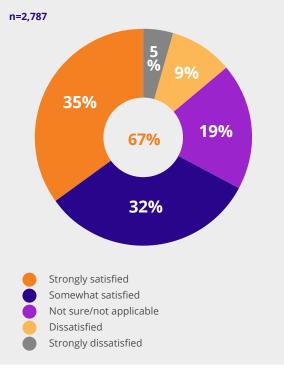
As mentioned earlier, use personas to understand and keep employee needs at the center of intentional workforceexperience design. Another important area is understanding worker's workrelated journeys - using employee journey maps. In order for HR to build and manage a wide variety of employee transitions, you need to consider myriad points of view. Your goal should be to provide an experience that not only gives the workforce direct access to the information, tools, services, and intelligence they need to excel at their jobs, but also drives engagement by delivering the right information to the right people at the right moment through the right channel.

For example, when the pandemic hit, many organizations made changes to their onboarding journey to reflect the need for remote onboarding. Once offices reopen, these organizations may decide to update the onboarding journey to allow for both in-person and remote scenarios. Not all journeys would be impacted by a return to the office, but it's important to think through those journeys being impacted and how.

Organizational Spotlight

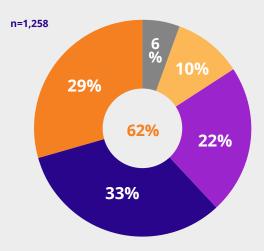
As part of their 2020 persona refresh, a large software company added two personas to better reflect their workforce. They had been growing through acquisition, so they created a specific persona for an acquisition hire. As they moved to remote work during the pandemic, they also added a work-from-home persona to reflect the specific needs of those remote workers. 67% of workers somewhat or strongly feel satisfied with the career growth and development resources provided by their employer.

FIGURE 14: How satisfied are you with the Career Growth and Development Resources your employer provides to help advance in your career? 67% of workers somewhat or strongly feel satisfied.

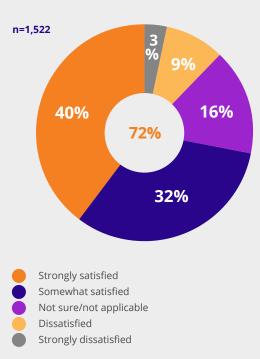


However, these numbers are lower in different segments of the workforce. In fact, the differences were more significantly pronounced for some gender differences. 62% of those who identified as female somewhat or strongly agreed, compared to 72% of those who identified as male.

62% of those who identified as female



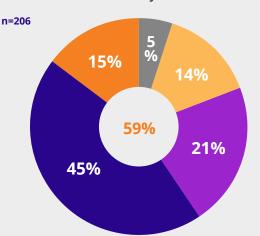
72% of those who identified as male



Our results demonstrate that a "one-size-fits-all" approach will not meet the wide range of experiences desirable for employees. One set of career growth and development resources will not work for all populations. The same is true for other experiences in the workplace, such as communication preferences, the option to work from home, and promotional opportunities.

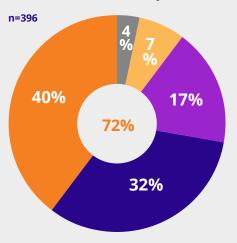
FIGURE 15: How satisfied are you with the Career Growth and Development Resources your employer provides to help advance in your career?

59% of those who identify as Asian

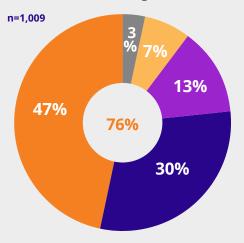


53% of those workers earning under \$25,000

72% of those who identify as Black



76% of workers earning more than \$100,000



CONCLUSION

"The Great Resignation" may be better coined as The Great Reawakening. Today's labor market is making decisions based on what they value most, and those personal values, needs, and career decisions must align to organizational values, your business needs, and the career development and cultural promises you make.

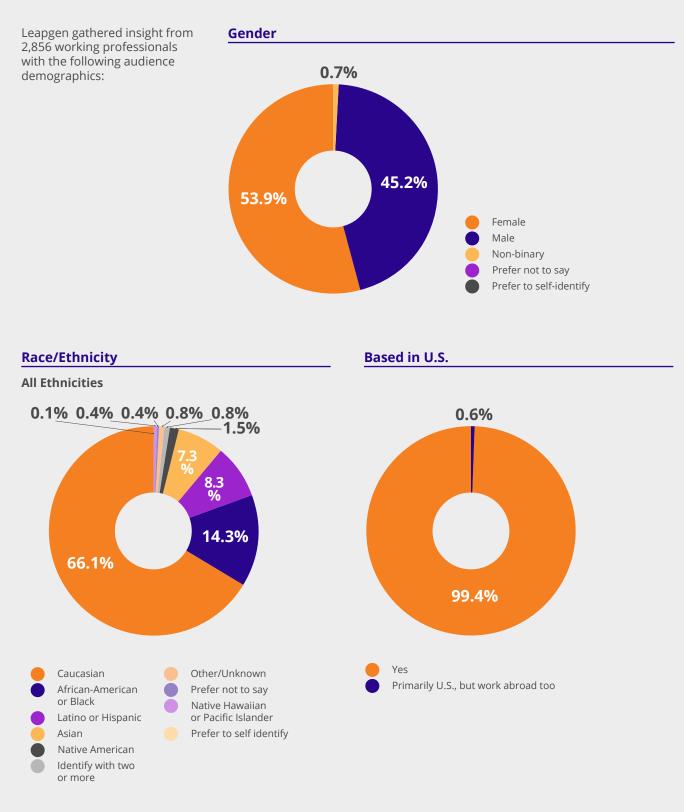
Talent knows better. They know better what's important to them, they know better what they deserve and desire, and they know employers can do better. You cannot compete for, win, and keep talent who know better unless you know better. People have been jolted into new realities of work, life, family, career, and personal fulfillment. To win the hearts of the workforce and have a culture of connection, you must:

- Know their hearts
- Seek to understand their preferences
- Provide a rich, personalized, and meaningful environment

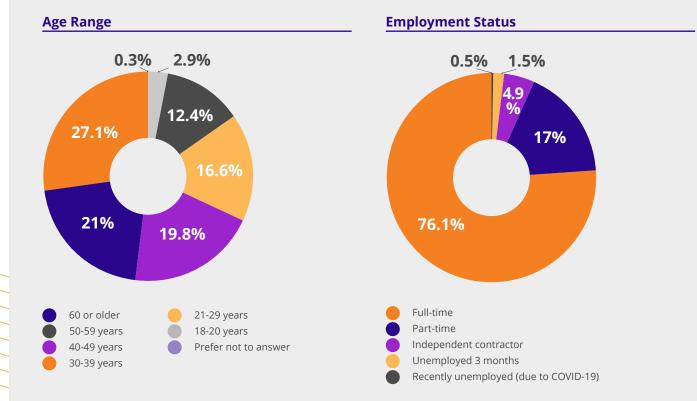
Our research shows you start by meeting employees' most basic needs, like job security and health and retirement benefits. Next, build connection by removing energy drainers, better articulating your organization's values and purpose, and listening to your employees. Finally, workplace connections can be boosted by putting people at the center of workforce experience design. Help them grow by listening to and acting upon their needs.

Taking the time to understand and meet both the foundational and aspirational needs of your workforce moves you beyond engagement to deeper connection. A culture of connection will bolster retention, improve creativity, spur innovation, lower the hard and soft costs associated with turnover and efficiency, and grow your business through revitalized employee enthusiasm.

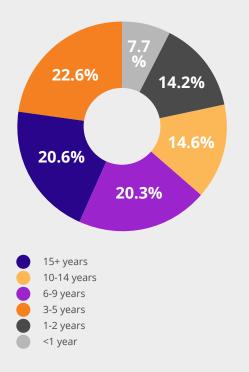
DEMOGRAPHICS



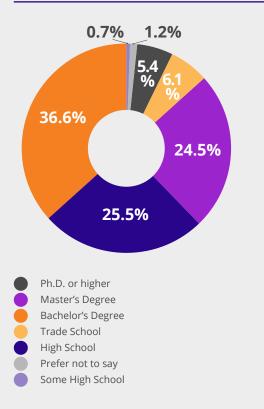




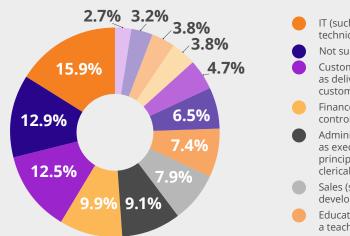
Length of Work



Education



Job Type

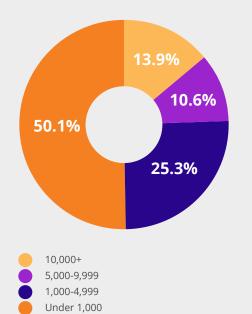




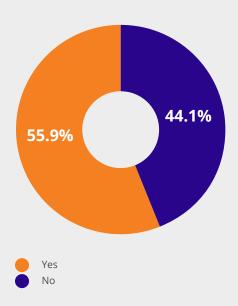
Educator (such as a teacher, professor)

- Operations (such as stock room support) HR (such as employee relations, benefits, training) Engineering (such as mobile app developer, full stack developer)
- Payroll (such as someone who processes payroll for employees)
- Logistics / distribution (such as truck driver, warehouse worker)
- Marketing (such as website, campaigns, promotions)

Size of Company



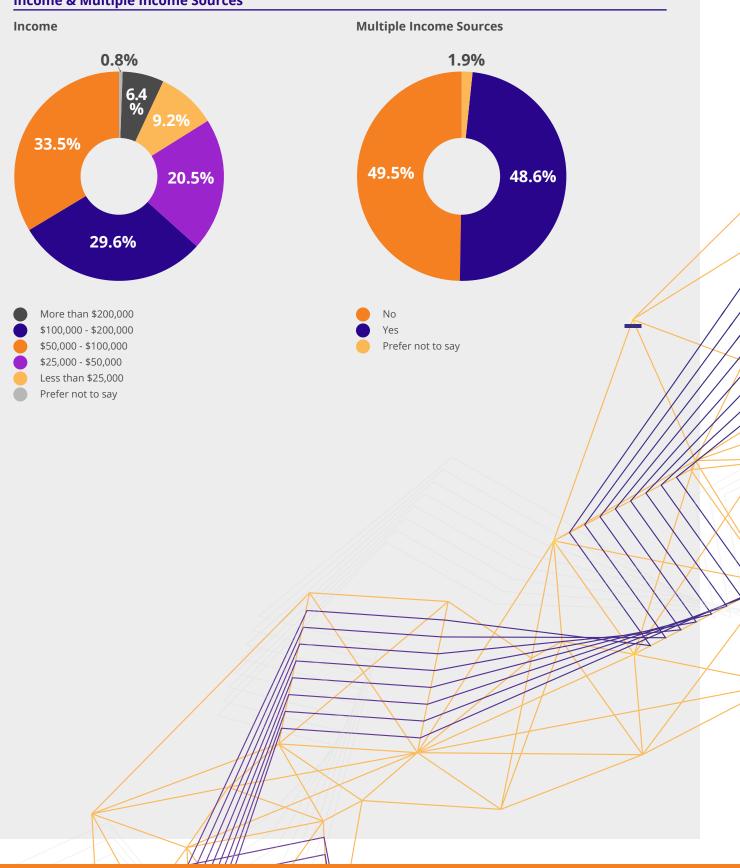
Supervise People



Sleapgen | APP

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Income & Multiple Income Sources



ABOUT

⊗leapgen

Leapgen is a global digital transformation company shaping the Now of Work.

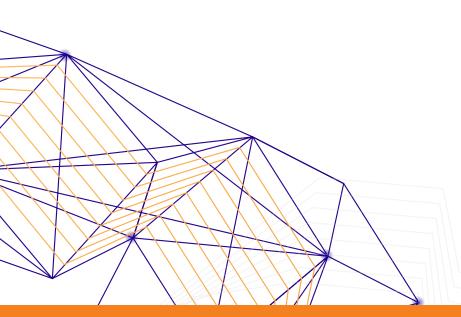
Highly respected as a visionary partner to organizations looking to design and deliver a digital workforce experience that will produce valued outcomes, Leapgen helps enterprise leaders rethink how to better design and deliver workforce services and architect HR technology solutions that meet the expectations of workers and the needs of the business.

Learn more at leapgen.com.



Designing better ways to work through cuttingedge products, premium services and exceptional experiences that enable people to reach their full potential. HR, Talent, Time Management, Benefits and Payroll. Informed by data and designed for people.

Learn more at ADP.com



Authors

Jim Holincheck has more than 25 years of experience in the HCM technology industry and is the Vice President of Advisory Services at Leapgen.

Before joining Leapgen, Jim gained experience as a vendor (Workday—Services Strategy and Product Management), an industry analyst (Gartner and Forrester/Giga), and a consultant (Accenture). He has spent his entire career working with customers to strategize, select, implement, support, and optimize their usage of enterprise applications.

Helping customers successfully get the most out of their enterprise software investments is something he is very passionate about.

Jason Averbook is a global keynote speaker, industry analyst, thought leader and consultant in the area of human resources and workforce experience.

He is the CEO & Co-Founder of Leapgen, a digital transformation shaping the Now of Work. Author of *The Ultimate Guide to a Digital Workforce Experience—Leap for a Purpose*, Jason seeks to broaden executive mindset to rethink how to better design and deliver employee services that exceed the expectations of the workforce and the needs of the business

Kristin Penney is the research director who led the partnership with ADP, managed the survey development, market fielding, analysis, and results including the white paper production. She has more than 20 years of experience in enterprise technology and software where research was a critical element of go-to-market success.

Prior to Leapgen, Kristin held executive responsibilities and leadership roles at leading digital transformation tech companies including PowerToFly (diversity hiring marketplace/talent community platform and enterprise TA), TeleSign (mobile identity verification, 2FA), Velocify (CRM/ digital SFA & lead conversion), and at PeopleSoft (ERP/HCM/Supply Chain).

