

Gallagher

Better  WorksSM

INSIGHTS

THINK DIFFERENTLY:
CULTURE, ENGAGEMENT
& COMMUNITY

2021

Australian Edition



Gallagher

Insurance | Risk Management | Consulting



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The intent of this document is to provide general information regarding your potential interests and concerns related to employee compensation and benefits. It does not necessarily fully address all of your specific issues. It should not be construed as, and is not intended to provide, legal advice. Questions about specific issues should be addressed by your general counsel or an attorney who specialises in this practice area.

INTRODUCTION

New challenges, opportunities and complexities continue to require thinking differently about workplace culture, employee engagement and employer social responsibility.

The constant in the midst of all this change is an organisation's most important asset – their people. Employer and employee wellbeing are interconnected, and when the needs and interests of both are aligned and balanced, workforce engagement drives sustainable bottom-line success.

Gallagher's approach to compensation, benefits, retirement and employee communication – Gallagher Better WorksSM – considers the overlap of health, financial security, engagement and culture. These connections converge across the physical, emotional, career and financial aspects of wellbeing.

The articles in this newsletter focus on the preservation of total rewards that meet employee needs under financially adverse circumstances, such as healthcare cost controls that disrupt the status quo and leave management solutions that boost wellbeing. Also featured are insights on how collaborative leadership, communication, and a work culture that's grounded in ethics and a commitment to diversity and inclusion better prepare organisations to compete in a new reality.



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PRIORITISING WORKPLACE FLEXIBILITY

Flexible work has become a cultural imperative that's more than a single decision or policy change.

Employees who experience high levels of burnout are:

63% more likely to take a sick day

13% less confident in their performance

23% more likely to visit the emergency room.⁴

While the pandemic's effects forced employers into an uncomfortably reactive position, managing their way through this experience proved that flexibility is a critical asset. The work environment has undergone some lasting changes, and acknowledging this shift frees employers to focus on overcoming the challenges and opportunities that lie ahead.

Flexible work has become a cultural imperative that's more than a single decision or policy change. It's a value that nurtures the ability of companies to respond resiliently to future change, helping ensure business continuity and growth.

Getting approval for transitioning to a non-traditional work setup was fairly recently considered a perk, but as a new normal takes hold, work-at-home and other flexible arrangements are becoming the new standard.

Many employers are still figuring out which adaptations to keep and which policies to reinstate. Fortunately, decisions are somewhat simplified because concerns about where work gets done, and when, is less important for many roles. Attraction, engagement and retention depend on finding different and better ways to create stronger employee ties.

Leading from a distance

Leading effectively from afar requires specialised skills and ideally, experience, but many who oversee the work of others haven't had the opportunity for proper training or received enough direction and support.

In a virtual work environment, operational teams and the company as a whole can best manage by taking a flexible approach to leadership. Dealing with issues at an operational level as much as possible, instead of outsourcing resolution to human resources, minimises pressure between managers and employees.

By reimagining how to collaborate more effectively and adapting expectations for individual employee circumstances, outcomes can be improved.

Educating managers on how to prioritise people issues, and encouraging this behaviour, improves both the employee experience and operational efficiencies.

Not surprisingly, autonomy and trust are essential to motivate remote workers and maximise their productivity. Most take pride in their accomplishments and are self-driven to achieve their goals. These employees often respond well when managers give them plenty of leeway, while remaining accessible and supportive. Other employees may need more deliberate direction. Either way, showing confidence in their abilities strengthens engagement by building their own confidence and sense of value.

The top engagement drivers for remote employees include:

1. Structure and expectations set by their manager and leaders
2. An understanding of changes that affect their team or role
3. Assurance that individual contributions make a difference to the customer experience.¹

Connecting and motivating employees

People are hard-wired to resist change, so helping them adjust often goes more smoothly and quickly when there's a clearly delineated and cohesively communicated purpose. Employers that recognise this are revisiting and recommunicating their mission and values – sensitised to the current flexible working world.

Top communication outcomes targeted by roughly four in 10, include a clear articulation of how employee contributions contribute to the company's success (40%), and employees' understanding of vision, mission and values (38%).²

Effective change management demands transparency when directional change occurs. Messages that define purpose

and values, and what they mean for employees, promote confidence, focus and productivity. When senior leaders deliver information on the pandemic's impact, they increase their visibility and demonstrate control, which helps set expectations or provides reassurance.

As long as the uncertainty surrounding the pandemic affects everyday life, emotional wellbeing will be a challenge for employees. Providing listening channels, establishing a centralised information hub, communicating consistently in an empathetic manner when appropriate, and offering a reasonable level of flexibility can lessen the effects.

Operational managers and leaders have an important role moving forward, and some may benefit from training and tools to ensure they're in tune with employees' needs and can connect with them effectively. These teachable skills are now more essential to meeting communication objectives when in-person contact may be limited.

Managing company and employee wellbeing

Without employee wellbeing there's no company wellbeing. Thirty percent of companies expect to add or expand emotional wellbeing support tools in 2021.⁵ Fostering a flexible yet connected work environment helps to maintain interpersonal relationships and reduce burnout. The latter indicates low engagement, which is both a productivity risk and a strong predictor of turnover.

The growing peril of employee burnout for companies is difficult to exaggerate. According to one pre-pandemic survey, 95% of human resources leaders admit this condition is hurting their retention rates, contributing to as much as 50% of annual workforce turnover.³

Another study showed that employees who experience high levels of burnout are 63% more likely to take a sick day, 13% less confident in their performance and 23% more likely to visit the emergency room.⁴

More employers are attuned to these distress signals and expect to improve upon them by adding or expanding emotional wellbeing support tools (30%) as well as communication programs (21%) in 2021.⁵ Employees who feel supported have a greater sense of control over their lives—a mindset that helps them bring their best selves to work each day.

The ongoing evolution of flexibility

A culture of flexibility motivates engagement and productivity in the present and draws in the right talent to drive future success. Employees will remember how their company handled layoffs and during the pandemic. For those who were directly affected, their experience may determine their interest in returning, or whether they amplify a positive or negative message in the talent marketplace.

A practical first step towards a more agile company is to assess current capabilities, identify strengths and set future goals, but this process doesn't have to be perfect. Authenticity and transparency do much of the legwork—and cultural flexibility is an iterative and ongoing process, instead of an endpoint. By continually adapting and improving, employers are better positioned to handle disruption, meeting it with flexibility that creates, and reinforces, resiliency.

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¹Gallagher, "Driving connection and engagement in a remote workplace," May 2020

²Gallagher, "Benefits strategy and benchmarking survey- Canada edition," November 2020

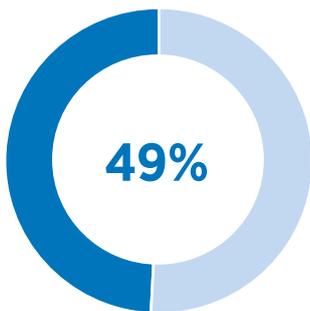
³Forbes, "Burnout is sabotaging employee retention: Three things you must know to help," June 2019

⁴Gallup, "Remote workers facing high burnout: How to turn it around," October 2020

⁵Gallagher, "COVID-19 sustaining organisational wellbeing and resilience through a crisis pulse survey," September 2020.

BUILDING A SUSTAINABLE CULTURE WITH ETHICS & HUMAN VALUES

INTEGRAL COMMITMENTS TO A SUSTAINABLE WORK CULTURE



Observed increased civility and kindness within their organisation during the pandemic²

A culture that sustainably attracts and engages talent promotes the longevity of employee tenure and the organisation itself. In a world that's constantly changing, this concept of sustainability continues to take on new meaning.

Sustainability once described initiatives to conserve the environment. That focus has now expanded to policies and practices that also create and preserve a business culture of wellbeing. The goal is staying financially sound and socially vital.

The value of an ethical work culture

Cultural sustainability has become a fundamental driver of business success that encompasses the achievement of both purpose and profitability. This requires organisations to make environmental, social and governance commitments. But there's a strong case for adding ethics.

Ethical principles differ from the compliance practices of governance. Beyond the legal and regulatory baseline, ethical systems are concerned with exercising common values and moral responsibility. Their importance as a cultural norm are on par with environmental and social commitments. And an ethical culture is linked to financial success.

As recognised by the Ethisphere® Institute, the 2019 "World's Most Ethical Companies" outperformed the Large Cap Index by 14.4% during 2014–2019.¹ Organisations that demonstrate strong ethics are more likely to mitigate the risks of misconduct and related legal fees, penalties and distractions from core business objectives. They often have processes for identifying, reporting and addressing issues, and clearly communicate expectations to employees.

The impact of a pandemic on culture

There's nothing like a pandemic to test the strength of a culture. Stress caused by the rapid shift to remote work, financial concerns related to economic and job uncertainty, and ongoing childcare challenges are some of the key factors that affect employees' mental and emotional wellbeing. However, when ethical principles and actions set the tone for respect, organisations are well-positioned to endure the unpredictable.

If there's a bright spot in all of this, it may be that the shared experience of dealing with a global health crisis appears to be bringing people together. Findings from a recent survey show that nearly half (49%) of employers have observed increased civility and kindness within their organisation – a development that supports business continuity and engagement as employees lean in to a new normal.²

Sustainability in an environment of community unrest

These trying times are uniting people, but also dividing them. Community unrest about social injustices have driven the topics of diversity, equality and inclusion to the forefront of cultural dialog once again. And this movement is empowering employees to candidly discuss workplace equality with colleagues, managers, HR and executive leadership.

For the many employees who continue to work at home, creating a healthy dividing line between personal and work priorities has become more difficult than ever. Employers that acknowledge and respond to these challenges are investing wisely in employee and customer relations, productivity, and attraction and retention.

While ensuring workforce and workplace equality helps contribute to a civil society, broader issues can lead to community unrest that impacts employee safety and business operations. Preparation is the best defense – along with a detailed response plan.

A comprehensive plan accounts for scenarios that run the gamut from mild to severe, and assigns a local leader to facilitate implementation when an event occurs. It's also important to adhere to Occupational Safety and Health Administration (OSHA) protocols for emergency preparedness, which cover civil disturbances, and to practice the plan with employees.

What's most important is continued progress in creating a safe environment that allows employees to be who they are – which builds trust and increases engagement.

Actualising diversity and inclusion

Leadership's stance on diversity and inclusion sets behavioural expectations for these defining cultural values and should authentically align with the organisation's unique character. Supporting communication is important because it helps affirm a commitment to enforcing anti-discrimination policies and adhering to equal employment guidelines. Email, video and teleconferencing can be effective in conveying the mission and values that guide operational decisions.

To establish structure around a cause that can be nebulous and notional, employers are increasingly installing diversity, equality and inclusion (DEI) staff at a range of levels. Outlining priorities, plans and milestones in a DEI charter defines goals more fully and directs efforts more precisely. This approach also helps ensure the strategy is deliberate, ongoing and successful, while demonstrating its value both inside and outside of the organisation.

When community unrest arises around inequality, it can take an emotional toll on employees. Employee assistance provider (EAP) programs are often helpful in managing stress and supporting mental health by offering resources like coping tips and counseling. For managers, conflict resolution training builds skills that promote appropriate and empathic intervention.

DEI goals may also be achieved by giving the workforce time off for reflecting on personal values or observing national holidays such as Martin Luther King Jr. Day. Likewise, honoring months dedicated to celebrating women; the LGBTQ community; racial, ethnic and cultural heritages; and other diverse affiliations help create unity.

Inviting feedback from employees on the effectiveness of DEI efforts allows them to contribute individually to a cause they care about, and helps employers assess, adjust

and improve their strategy.

Surveys, Q and A opportunities, and one-to-one interactions between employees and HR or leadership are just a few methods for gathering insights. What's most important is continued progress in creating a safe environment that allows employees to be who they are – which builds trust and increases engagement.

Creating a culture with human values

Historically, work cultures were rigidly structured and enacted. The CEO dictated a set of values and guidelines to middle management, who in turn embedded them within the organisation. In most cases, CEOs wholly owned their decisions and middle management or employees who didn't agree accepted the current reality or left.

That closed-door model is becoming obsolete as interaction and inclusion is expected. With the acknowledgment that people are an organisation's greatest asset, a collaborative and iterative process for establishing a sustainable culture has emerged. Good leaders understand that inviting and considering employees' insights can lead to better decisions.

Drawing a blueprint for cultural values helps keep them sustainable. It should be guided and embraced by top management, and then vetted by middle management who ask questions and raise concerns. Based on this feedback, leadership reevaluates the blueprint. Once an agreement is reached, middle management shares these values with employees and demonstrates them through their actions. The door remains open for the workforce to keep the culture in check by expressing their opinions to management and leadership.

Tracking metrics, monitoring outside feedback and constructively responding are also important. But clear, consistent communication about the organisation and its values is key to perpetuating a creative and inclusive culture.

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¹Ethisphere, "The Business Case for a Standalone Ethical Culture Survey," September 2019

²Gallagher, "COVID-19 Work in a New Normal Pulse Survey," July 2020

HOW TO COMPETE FOR TALENT IN A POST-PANDEMIC ENVIRONMENT

Many companies have learned to operate remotely at a scale and speed much greater than anticipated.

Most employers offer flexible work hours

62%

Opportunities and challenges will look quite different for employers as the world emerges from the pandemic. With a revised talent availability outlook, the time is right for a renewed focus on the employees.

The experience of the pandemic has profoundly affected people, companies and industries. While some companies closed, others have maintained operations and a few are managing to prosper.

For companies, the smart move is to hold strong on their employee portfolio. When uncertainty disrupts economic and social norms so drastically, interpersonal connections in some form become more vital to individual health and company survival.

Many companies have learned to operate remotely at a scale and speed much greater than anticipated. And plenty of employees who tested the pros and cons of flexible work-at-home arrangements may decide they prefer this option.

Most employers offer flexible work hours (62%).¹ While an uptrend in flexibility is encouraging, growth in the use of these and other work-life integration benefits is essential to producing better wellbeing outcomes.

The current trend is towards a reversal, or at least a rebalancing, of priorities, and a fundamental shift in the way employees approach difficult choices about competing demands. The need for rethinking how to authentically connect with employees is clear.

The importance for employers to provide and promote flexibility and more visibly that a focus on wellbeing and employee benefits, are key in the new working environment.

The need for change

In the aftermath of the pandemic, financial aftershocks continue to rumble through the global economy. Some company strategies and models are evolving out of necessity, but innovation is also giving rise to more efficient operations. As the markets stabilise, job seekers mobilise, and growth returns, employers must compete for talent.

People are not willing to return to pre-pandemic ways of working where less time with family was the norm. If flexibility in location is no longer offered, staff may decide to resign instead. Everyone experienced loss in some form during the pandemic, so needs and priorities have changed. People may no longer define themselves through their work and their side hustle or being a digital nomad may now be more important as it enables greater flexibility.

If companies want to retain staff, they need to listen to them, stay competitive, and adapt quickly. People choose the work arrangement that is best for whatever stage of life they're in, and companies will have to take that into account when determining how they operate.

A recent PwC survey found that employees increasingly want to be compensated for their work not just with money, but with flexibility. Younger workers are more likely than older employees to accept smaller pay increases for non-monetary benefits, including extensive mental health benefits, unlimited sick time, flexible work hours and remote work options.

In the wake of the pandemic, these incentives can be the difference between a candidate accepting the job or not. We are entering an era of the empowered employee.² Employees may now have new expectations of leadership and company culture, including more effective ways of working. Widespread remote work is more strongly focussed on enabling success in a virtual environment.

By providing employees with access to resources and capabilities for blending and balancing their work and personal pursuits, in the healthiest possible ways, employers promote efficiency. Likewise, supporting a productive home workspace and open communication between team members is key to connectivity that contributes to a positive employee experience.

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Leading in a virtual environment requires a special set of competencies. Studies continue to show that people don't leave companies, they leave their bosses.³ With retention at stake, companies need to help managers effectively adjust to new circumstances through training and other support.

Historically, people tended to adjust their personal lives to accommodate work and had a defined a basic company relationship focused on what employers and employees are expected to give and receive in return.

Today, this pledge has taken an employee-centric turn, accenting that achieving individual aspirations matter, as well as mutual goals. Connecting employees to a shared vision, mission and values is crucial to engagement in today's increasingly purpose-driven society.

Nearly half (49%) of employers have already refreshed, or plan to refresh, their employee value proposition due to pandemic stressors or an enhanced focus on diversity and inclusion.⁴

Prioritising workplace flexibility

While the pandemic's effects forced employers into an uncomfortably reactive position, managing their way through this experience proved that flexibility is a critical asset. The work environment has undergone some lasting changes, and acknowledging this shift frees employers to focus on overcoming the challenges and opportunities that lie ahead.

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More employers are attuned to these distress signals and expect to improve upon them by adding or expanding emotional wellbeing support tools (30%) as well as communication programs (21%) in 2021. (6) Employees who feel supported have a greater sense of control over their lives—a mindset that helps them bring their best selves to work each day.

By identifying the drivers of wellbeing in your workforce, your organisation can develop strategies to support your people to thrive and flourish. Ultimately, these strategies will have a bottom-line impact on productivity, performance and engagement at work.

Going beyond traditional surveys, it also assesses the impact of employee wellbeing in your workplace in-role performance, intentions to stay, absenteeism and engagement.

Measuring employee and workplace wellbeing

There are a range of ways to improve wellbeing at work, and many companies have existing wellbeing and employee benefits initiatives, such as employee assistance programs. Yet, very few companies would understand the impact and return on investment of these initiatives for improving workplace wellbeing.

The first step in understanding the impact of your wellbeing initiatives is to ask for input from those who matter most—your people. The Gallagher Workplace Wellbeing Index is a holistic, single survey to support your people to thrive and flourish at work.

To get the full picture of your workforce, we've combined the critical drivers proven to contribute to employee wellbeing and its associated business outcomes.

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¹Gallagher, "Benefits strategy & Benchmarking survey- Canada edition," November 2020

²Josie Cox, "Why worker loyalty is at breaking point," BBC

³Gallagher, "COVID-19 sustaining organizational wellbeing & resiliency through a crisis Pulse survey," September 2020

⁴Predikt-r, "From candidate to customer: how shortlisting drives sales," July 2019

⁵Gallagher, "COVID-19 sustaining organisational wellbeing and resilience through a crisis pulse survey," September 2020.

⁶Forbes, "Burnout is sabotaging employee retention: Three things you must know to help," June 2019

⁷Gallup, "Remote workers facing high burnout: How to turn it around," October 2020.

5 KEY STEPS TO UPDATE YOUR EMPLOYEE VALUE PROPOSITION (EVP)

Open and honest communication from executives and other leaders establishes trust and rapport under circumstances when they're needed most, and provides access to those at the top.

With a renewed focus on employee health and wellbeing, the time is right for companies to look at and reinvent their EVP. There are five key steps involved in this process, which we will examine further in this article, but first let's look at why updating the EVP is important.

When making revisions to the EVP, ensuring the greatest possible relevance to workforce needs and preferences translates to a better employee experience, which drives retention and attraction by building stronger cultural value.

An effective EVP is concisely stated, but has broad appeal, which requires the opinions, insights and collaborative efforts of a cross-functional development team. Stakeholders from human resources, marketing and communications, and line managers in different areas of the company, are all part of this mix.

Working to bridge the divide between human resources and marketing will help ensure the employer and customer brands reinforce each other. When human resources leaders are at the forefront of optimising the EVP, they add the benefit of a richer perspective on what the company offers apart from competitors.

Acceptance rates for job candidates and internal transfers, along with the usual attraction and retention rates, also help them better assess the EVP, engagement and connectedness. One of the most critical markers of employee engagement is a sense of connectedness.

Attitudes about work can directly impact a company's success, so it's important to identify specific ways to invest effectively in this measure of wellbeing. This exercise begins by taking a clear-eyed, open-minded look at the current EVP.

Consulting widely across the company to thoroughly and honestly examine its strengths and weaknesses helps validate conclusions. Asking questions to identify key talent segments and employee personas, what each group values, and how they perceive the brand, keeps feedback focused on the end goal.

Concept testing through executive interviews and workshops, as well as employee surveys and focus groups, guides the creation of an EVP that's realistic, differentiating and

authentic. This step also verifies that it speaks the language of the company.

However, even with a lot of good information, it's not easy to get the EVP right the first time. That's why a testing phase is critical to the process.

The EVP needs to be vetted and re-vetted with both current and future employees. If the development team is careful to suppress assumptions, they'll be more open to important views employees express. Understanding what the workforce values avoids perception gaps. Once approved, each step of the plan needs to be followed in turn.

Tinkering with every word in the EVP is important. Relative to the monumental influence of a compelling EVP, this pledge requires limited and concise language. Specific words that are clearly understood, alone and in context, will convey the right message. Any buzzwords or loaded terms should be decoded using plain speak as simplicity can go a long way towards projecting sincerity.

Now, let's look closer at five key steps in the process of updating your company EVP and making sure it works, resonates in delivery and continues to develop into the future.

1. Get senior management on board

Traditionally, the EVP was a human resources responsibility, mostly out of sight and out of mind for the Chief Executive Officer (CEO). However, this strategic commitment sits at the centre of an employer brand that needs to closely align with the customer brand. The line between the two has blurred, now that digital conversations about employee and customer experiences influence the company's reputation 24 hours a day.

Executive oversight of EVP development is instrumental to ensure that project goals fully support the company strategy. Acting as an executive sponsor of the cross-functional team, the CEO can provide direction, remove barriers and overcome resistance.

Employers will build the brand by building a presence on social media, with strategically placed stories and comments about the employee experience that highlight the company's strengths.

Effects of a satisfied candidate experience on the applicant¹

62% Likely to recommend the hiring company

38% More likely to accept a job offer

2X More likely to become a customer

Following the 80:20 rule for an EVP — creating a healthy balance that favours current company strengths while adding stretch aspirations — is important. However, for stretch claims to be seen as credible, they need the staunch dedication of leadership.

These dynamics have swiftly elevated the importance of retention as a human resources and company priority, and the EVP should evolve in support of this objective.

Outcomes for the EVP are optimal, only if it's well communicated and clearly understood by employees, and the agreement is consistently honoured by the employer. Constancy has always been an important aspect of good leadership, and now it's a stabilising influence, not only for retention, but also company continuity and future growth.

Open and honest communication from executives and other leaders establishes trust and rapport under circumstances when they're needed most, and provides access to those at the top.

2. Think about the employee experience

Employees choose where to invest for the best possible experience. The EVP is the core asset for defining and communicating an employer's commitment to their workforce. An EVP is an ongoing pledge, and keeping it strong and relevant requires applying much employee management.

Until recently, the workforce often shouldered the responsibility of creating a cohesive workplace culture. Those who weren't self-engaged risked a reputation as uncooperative employees.

Employers can form a more resilient bond with their employees by showing them their needs and interests matter, especially in the toughest circumstances. Building and maintaining a supportive culture will likely translate to a competitive advantage when the EVP actively enables a work and cultural experience that's engaging and motivating.

By rebalancing the responsibility for genuine employee engagement, the EVP also creates the opportunity for true connection. An interconnected workforce

takes things to the next level as employees become better connected, they also become part of a stronger culture.

An actively managed plan for communicating the EVP is just as important as the EVP itself. There's a lot riding on this highly visible commitment that sets such specific and enduring workforce expectations.

Without effective communication, it's difficult for employees to know how and why they're valued — and what their purpose is. Consistent messages that take the same tone as the EVP promote a common understanding and help each employee recognise their place within the company.

When key messages resonate, the EVP can stand on its own. That EVP has to be relevant and realistic to resonate with different populations.

Whether employers are developing or strengthening their EVP, it helps to treat this project like any other major deliverable. A plan that highlights key elements and how they support the end goal will more readily earn the interest and support of all stakeholders.

As a pledge from leadership, the EVP is only as strong as its integrity— so actions should speak even louder than the conviction of these words. The perception of paying lip service will undercut communication efforts, because standing by the EVP is the same as standing by employees.

3. Deliver the new EVP

Every function in the company needs to understand the value of the brand, including their role in making it resonate. A key opportunity to convey the EVP is the recruiting process. Delivering a consistent message can require multiple departments to coordinate communications across brand materials, job advertisements, position descriptions, interview guides and selection procedures.

Employers will build the brand by building a presence on social media, with strategically placed stories and comments about the employee experience that highlight the company's strengths. A group of

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employees assigned to post content and respond to users, are essential links in creating an authentic connection for prospective employees. Personalised, relatable information from advocates is naturally a more trusted source than recruitment advertisements.

One of the most efficient ways to evaluate the success of the EVP is to check how the company is engaging through social media. With the boundaries removed between customer and employer brands, opportunities and risks are magnified. Monitoring social media and rating sites is essential to understand what people are saying about the company — and to engage with them to clarify and correct perceptions, or accept responsibility for a subpar experience.

4. Communicate the EVP to new starters

According to one study, the candidate experience can have a measurable effect on job offer acceptance, advocacy and the company's sales and reputation.²

While employers may spend a significant amount of time and money creating an effective EVP to attract employees, many forget to focus on retention, but it doesn't make sense to put a lot of effort into acquiring a new employee, only to see a great investment walk out the door. Companies influence better outcomes if they hold themselves accountable to practices that live up to their EVP. In other words, the movie needs to match the trailer.

Many companies understand their distinct qualities, but relatively few communicate these strengths to job candidates. Only 30% of large and medium business and 25% of small businesses articulate their differentiators to prospective employees.³

An EVP that's clear, complete and succinct meets all the criteria. Differentiating characteristics may strongly influence an employee's decision to join or stay with a

company. Employers can increase their odds of an advantage by benchmarking against competitors' EVPs, and identifying and emphasising what makes their own unique. They also mitigate the risk of marginalising their EVP because it's too similar to others.

5. Adjust the EVP to remain competitive

The EVP aligns with the company's vision when it is informed by the company strategy and treated as a key capability. Changes to the EVP may be needed if strategy is significantly adjusted, which usually occurs every five years. However, modifying the EVP too often can weaken or even wipe out the employer's hard-earned brand identity.

Regular data-driven assessments help ensure the EVP's continued relevance. Conducting surveys that ask employees questions about the EVP will indicate how it lands throughout their journey — at the recruitment, on-boarding, development, parental leave, promotion, and exit stages. Net promoter scores from employee and customer experience surveys can also offer insights, based on levels of employee advocacy and customer loyalty.

A competitive EVP must be adjusted to changing employee values, expectations and perceptions, which can suddenly be altered by unexpected events like the pandemic. Proactively ensuring that it squares with the reality of the actual employer brand experience is always a best practice for achieving better outcomes.

Executives' concerns don't appear to be idle based on companies plans to expand existing total rewards or add new programs. Examples include broader access to behavioural health and employee assistance resources. Also, as a simple and routine practice, encouraging employees to use paid time off promotes the healthy and restorative breaks needed to sustain productivity.

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²Predikt-r, "From candidate to customer: how shortlisting drives sales," July 2019

³Harvard Business Review, "How the best global employers convince workers to stay and join," October 2016

THE TRUE COST OF WORKPLACE FINANCIAL STRESS

Something that businesses can do to help employees manage their finances, reduce stress and improve productivity is to introduce financial literacy training.

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As an employer, if you can address stressors that reduce your people's focus on their work, you can increase your company's productivity.

In business, our people are our greatest asset, and usually the biggest cost on the balance sheet. However, when we think about the risks we need to manage and mitigate, we sometimes don't pay as much attention as we should to our people.

It's easy to understand why – the risks aren't as obvious. Of course, if a valuable team member suddenly decides to leave, it is certainly noticeable, but the more common risks are more frequent, invisible, and relatively undetectable, and are eating away at your company's performance.

Three factors influence employee wellbeing: physical, emotional and financial. And, in much the same way as managing insurance risks, a proactive approach can go a long way towards minimising people risks and the impact they're having on your business.

One of the biggest challenges a company faces is productivity, which research shows is directly related to stress. The more stressors an employee has, the less work they're doing for you.

There are many influences on mood and frame of mind, some of which employers don't have the right to delve into: personal relationships, for example.

After their families and their bank, it's employers who know most about their people: how much they are paid, details of their super and relevant business-related insurances – there's a level of trust there.

The primary element that causes people stress – which they then bring to work – is their finances. In fact, 46% say it's the leading cause of stress in their lives. Pay grade is immaterial – from Chief Executive Officers to office juniors- seven out of every 10 people suffer financial stress.

The impact this has on a business is huge because research shows that every person with financial stress spends two hours a week of work time on their personal finances.

By doing the maths the extent of the problem becomes apparent. For a company with 200 employees, paying each of them the national minimum wage, the weekly cost is \$7,000, or \$325,000 per year.

Something that companies can do to help employees manage their finances, reduce stress and improve productivity is to introduce financial literacy training. And it's needed – 85% of Australians don't have a financial plan of any sort, whether from a professional or that they've put together themselves. The vast majority of employees' live week to week, month to month, with little planning for their financial future.

Gallagher Benefits helps businesses protect their people from the effects of financial stress by providing the educational tools for managing their money. We've developed a white-label app that businesses can use to educate their people in financial literacy – and if businesses can do that then they can regain lost productivity.

The prospect of employees not working to their physical and mental maximum is a significant risk for any business. By investing in your people, you can reduce absenteeism and staff turnover, and make your workplace one that attracts and retains top talent.

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ABOUT GALLAGHER

Better. It's something all companies strive for. Better outcomes from better performance. But how do you get there?

You start by building a better workplace. One that attracts, engages and retains top talent. What does that look like? It's a workplace where people feel they belong—where there's a sense of developing a career instead of punching a clock. And a culture of opportunity that draws new talent because it inspires employees to deliver their personal and professional best.

Gallagher Better WorksSM—a comprehensive approach to benefits, compensation, retirement, employee communication and workplace culture that aligns your human capital strategy with your overall business goals. It centers on the full spectrum of organisational wellbeing, strategically investing in your people's health, talent, financial security and career growth. And developing benefit and HR programs at the right cost structures to support a multigenerational workforce.

From evaluating the demographics of your workforce to surveying and analysing competitor trends, Gallagher helps you gather new insights, and apply best practices that promote productivity and growth. A data-driven focus allows you to continually improve. That's what it means to create a better workplace culture. It's about never being content to rest each time you reach your best. Your better is never finished.

As you develop and sustain this destination workplace culture, your people can thrive and perform at a higher level, optimising your annual talent investment and mitigating organisational risk to maximise your profitability. Best of all, you gain a competitive advantage as a workplace that simply works better.

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