

The Reset Report



Presented by:



RewardGateway
the employee engagement people

Table of Contents

| | |
|-----------|---|
| 3 | Introduction |
| 4 | Attracting and Retaining Employees Through ‘Healthy Churn’ |
| 7 | What Employees Want |
| 9 | The Hybrid Workforce Is Here to Stay |
| 11 | How HR Leaders Are Responding |
| 22 | Conclusion |

Introduction

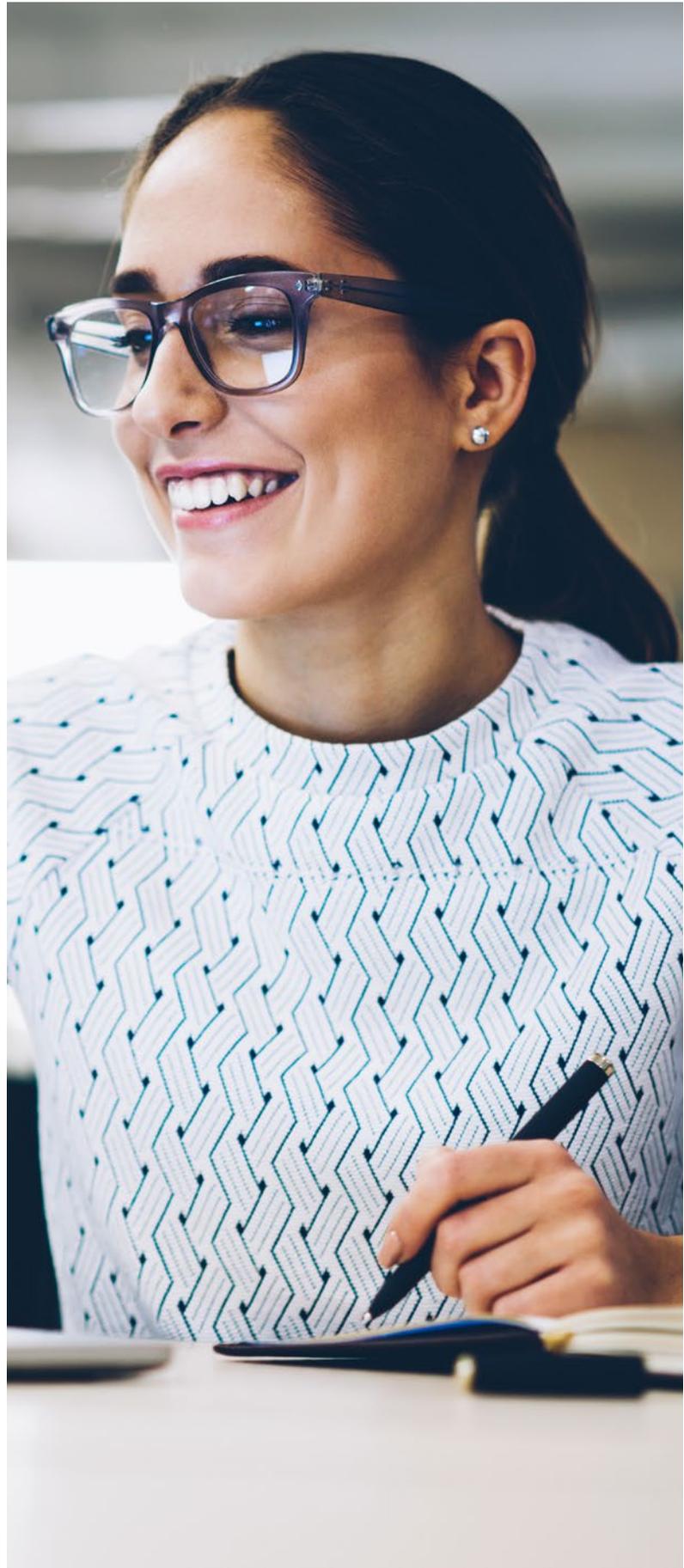
The evolving COVID-19 pandemic has disrupted the landscape of HR, ushering in a much-needed evolution, with a new mindset on flexibility and a heightened focus on employee communication and recognition. With this change, it's important to reset, realign and ask: where do employer and employee sentiment stand?

A recent study conducted by Reward Gateway surveyed 3,809 employees and senior HR decision-makers across Australia, the UK and the U.S. revealing more about the expectations and intentions of HR leaders and their employees in this unique time, highlighting employees' plans to leave their current jobs and what HR leaders are willing to do to keep them.

The data suggests that the next 12 months will define how employers can balance healthy employee churn while attracting, retaining and engaging top talent.

Overall, the research reveals key themes to a positive employee experience.

Reward and recognition, trust in leadership, positive managerial relationships and fair pay remain integral. Company culture continues to be a key driver of a healthy, successful workforce, and environments anchored by open and honest communication are among those most desirable to employees.





HR leaders, on the flip side, are aware they'll be required to adapt to employees' newly revealed needs, redefining what they offer as a company to attract and retain the best talent in the wake of COVID-19. Many plan to increase the amount they invest in key areas such as reward and recognition, employee feedback, employee communications and wellbeing.

The war for talent is acute now, with the National Skills Commission reporting the number of job advertisements around Australia has reached a 12-year high and doubled in number between March 2020 and March 2021.

Industry-wide, construction and public sectors saw the biggest increases in job ad growth, while the technology, construction, hospitality, healthcare and medical sectors remain in talent deficit. A recent analysis by RMIT Online revealed the country needs an additional 156,000 more technology workers by 2025.

The data and trends are clear: The upcoming year will be a time for HR leaders and employees alike to reset, reconsider their goals and priorities, and realign. Every company has been forced to change, and many are in the process of reinventing themselves once again.

The following pages examine how the employee-employer balance has changed and reveal how leaders can maximise engagement with the right mix of tools and strategy.

Attracting and Retaining Employees Through ‘Healthy Churn’

The COVID-19 pandemic has put many organisations in a uniquely challenging position. Many felt uncomfortable letting go of workers because of the world’s negative state, while others were forced to reduce their staff to keep the business afloat.

Now, they are trying to play catch-up. Many HR leaders surveyed noted they are currently hiring, while many employees shared they are currently looking for a new job or will be this year, and would consider different opportunities than before the pandemic, given the opportunity to work remotely.



Nearly every HR manager surveyed (98%) agreed that there are benefits to a healthy amount of employee churn, including ‘the ability to bring in new talent’ (52%) and ‘an opportunity to enhance Diversity, Equity and Inclusion (DE&I) in [their] organisation’ (46%).

But regular, ongoing turnover is neither sustainable nor healthy for an organisation looking to succeed, as it undermines teamwork, creating a culture of instability and a need to frequently re-train workers, while compromising intellectual property. The data suggests that the next 12 months will define how employers can balance healthy employee churn while attracting, retaining and engaging top talent.

Supporting Data:

73%

of Australian HR leaders have held back on firing because of COVID-19

80%

of Australian HR leaders report their companies are currently hiring

56%

of Australian employees note they would now consider careers they might not have before because location is not required

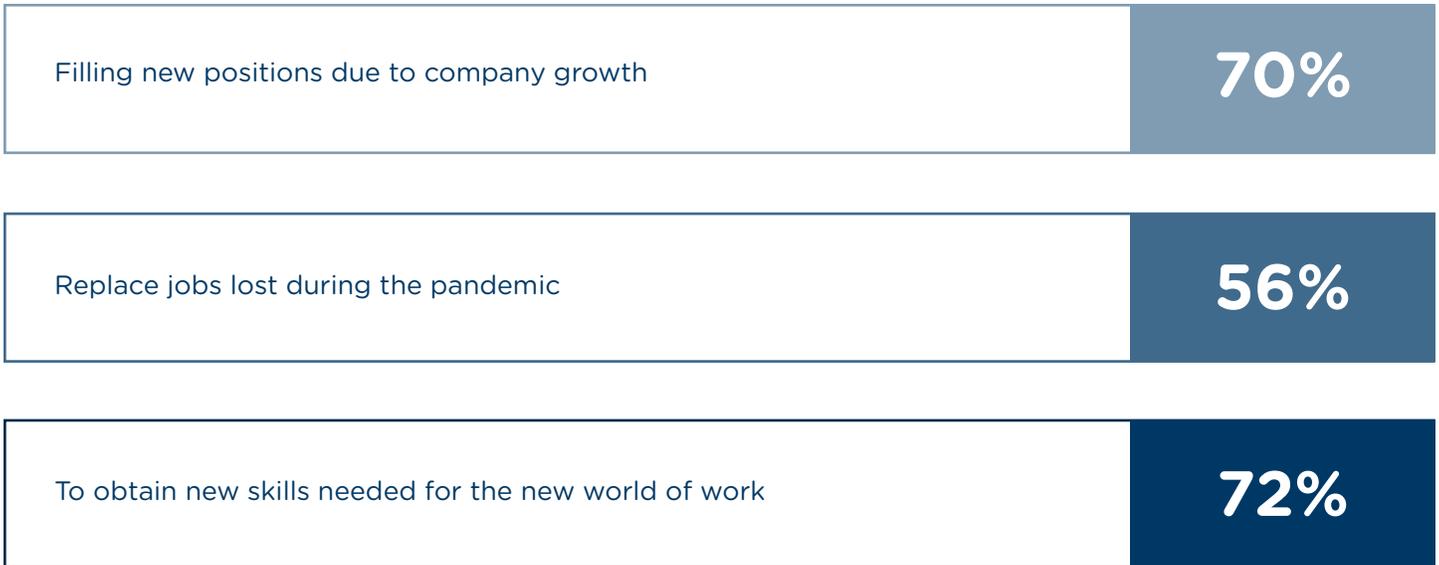
42%

of Australian employees surveyed report they are either currently looking for a new employer, or will be this year

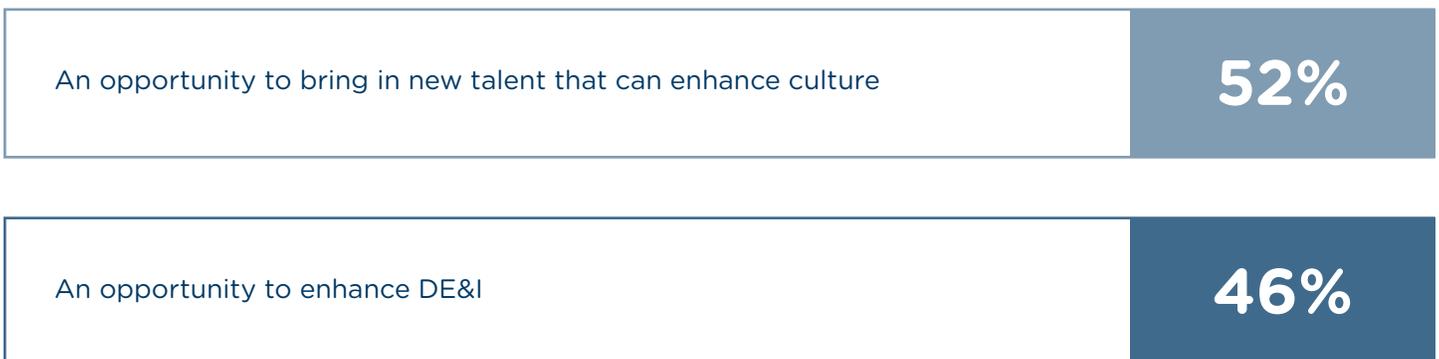
54%

of Australian employees surveyed note they’re not looking for a new job currently because they are happy, but would leave if a better opportunity presented itself

Factors driving new hiring in Australia:



Globally, HR leaders agree that the benefits of churn presents:



What Employees Want

Pre-pandemic, employees' days were spent in busy offices alongside numerous coworkers, bouncing from in-person meeting to collaboration session and back again, all within strict working hours. Add on top of that the frontline employees who work within retail, customer service or manufacturing industries who are juggling numerous demands and often taking on excessive workloads, leaving little time to concentrate on anything outside of their day-to-day. As a result, tech platforms leveraged by HR leaders or individual teams were just that - individual, disjointed and often numerous,

making the experience confusing, and notifications and distractions frequent and annoying.

Before COVID-19, employee must-haves included fair pay and a manager who cares about their employees. And while much changed throughout the pandemic, and the way we work will likely never return to its pre-pandemic ways, employees still need much of the same.

They now report that fair pay and a caring managerial relationship top the list, but are followed close by a three-way tie in flexible working, reward and recognition, and a culture of open and honest communication. No matter what, employers must be ready to offer employees this level of autonomy and freedom, lest their teams seek other opportunities.

Employee must haves:

52%

Fair pay

48%

A manager who cares about their employees

Of equal importance

(41%)

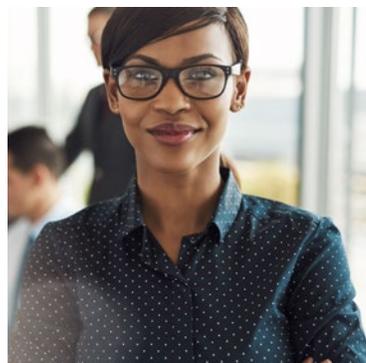
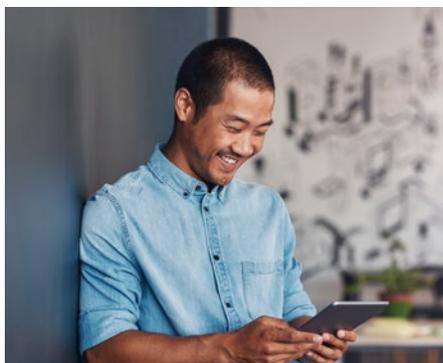
Offering flexible working,

Employee R&R,

Culture of open and honest communication

58%

of employees desire a culture where they can speak openly



The Future of Work

Before

After

Crowded office spaces, strict working hours



Flexible, remote or home-based working environments

Fractured, inconsistent and ineffective communications



Regular, tailored communication aligned with strategic goals

Employee is responsible for own wellbeing



Employer-supported wellbeing initiatives

Annual surveys that inform HR strategy



Frequent pulse surveys to gauge morale with on-the-spot employee feedback

Manual, time-consuming, disjointed employee recognition



Meaningful, consistent, digital recognition

Isolated platforms for single or specific purposes



Integrated employee engagement and employee experience to achieve more with less

The Hybrid Workforce Is Here to Stay

Over the course of the pandemic, many businesses pivoted to remote work and created an environment they had never encountered before, opening the door to a new way of working. Coined the 'hybrid' model, this meant that employees desired - or more accurately, demanded - choice in regard to how, when and where they worked, whether from an office, comfortably at home or at a coffee shop down the road (when they were able to).



Globally, less than

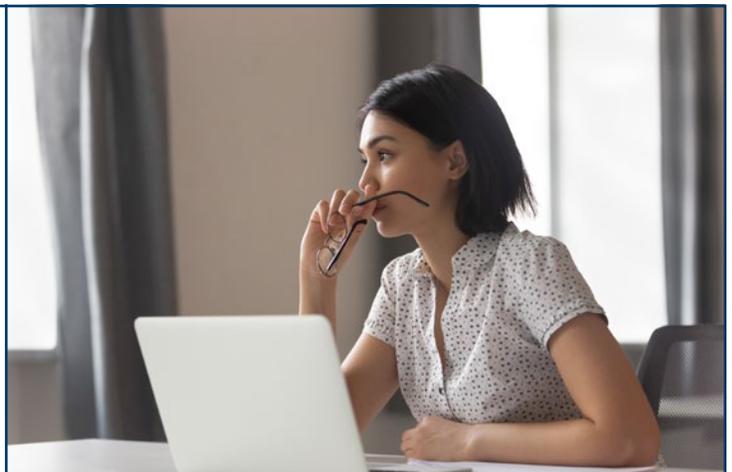
40%

of employees surveyed feel excited to go to work.

What's more,

42%

of employees are actively looking or intend to look for a new job in the next 12 months.



Moving the needle closer to all-in excitement requires organisations to take the lessons they've learned throughout the course of the pandemic into the years to come, particularly in regard to flexible work.

The world of flexible working has opened up doors for employers to recruit beyond their common geography, and for employees to think beyond their home for opportunities, meaning the war for top talent is becoming more and more apparent.

In fact, more than

56%

of Australian employees surveyed would now consider jobs that they wouldn't have pre-COVID-19 because they're no longer restricted by job location.

And nearly

52%

of employees surveyed are looking to move to a job where flexible working is an option.

Flexible working and opening up the doors to a hybrid workforce isn't just a nice-to-have, it's a must-have if organisations have any chance of competing in the war for talent.

The keys to attracting and retaining top talent

Now more than ever, businesses must be agile, creative and flexible as the world resets in a post-COVID-19 era. With hybrid and flexible working on the rise, this has become an obvious choice on any employees' wishlist. But it's not the only factor that would cause an employee to leave a job – flexible working by itself won't keep employees at a particular business, or help an organisation stand out in a crowded employer landscape.

54% of employees surveyed admitted that while they're happy in their job, they would leave if a better opportunity presented itself.

What are the levers that HR leaders can pull to keep and attract their best people? The top factors that make up employees' 'must-haves,' outside of fair pay and flexible working were:

- Employee reward and recognition
- Trusted leadership
- A manager who cares about their employees
- A culture of open and honest communication
- Financial, physical and mental wellbeing support

How HR Leaders Are Responding

Gallup states that companies with engaged employees outperform those without by **four times the success rate**, and highly engaged businesses achieve a **10% increase in customer ratings** and a **22% increase in profitability**.

But now, and well into the future, in a post-COVID-19 world, engaged employees are what businesses need to truly transform themselves into resilient, stronger businesses to get on the path to success. On that path, businesses must take an agile approach to how they're attracting and retaining employees, and more importantly, be willing to accept that their first plan might not be their only plan.

Our research has shown that nearly half (48%) of HR leaders strongly agree that attracting the best talent and keeping the right talent is critical.



But what are they doing about it?

By keeping a pulse on what their employees are looking for, whether that's a focus on wellbeing or better, more frequent communications from Leadership, teams can pivot quickly to keep their workforce engaged with the right tools in place.

According to the latest research from Reward Gateway, here are three core areas that leaders are investing in to stay ahead of their competition:



1. Reward and Recognition



2. Employee Communications and Surveys



3. Flexible Working/ New Working Policies

Transforming the reward and recognition experience

94%

of Australian HR leaders surveyed plan to increase investment in reward and recognition

“

Everyone knows what our values are – they live and breathe them because they believe in them. The recognition is there to reinforce those behaviours, and the peer-to-peer recognition is linked to them. It’s also helped us stand out as a top employer as we enhance our Employee Value Proposition.”



Roshine Bulpitt,

Head of Engagement and Talent Development at HomeServe

Prior to COVID-19, embedding a culture of appreciation may have begun with a posterboard of a photo of the Employee of the Month, or a spreadsheet of work anniversaries that caused HR departments a headache gathering up company swag to ship or hand deliver. And maybe that worked, in a typical office setting.

What may have worked in the past isn't working anymore, with **less than 43% of employees surveyed reporting that they only feel somewhat valued for their contributions.** Of all the things that would make a person leave their job, 'A lack of reward and recognition for my efforts' comes in the second spot, only topped by 'poor pay.'

Employees now are either embracing the work from home life as a 'new normal' or are slowly making their return to the office, with many moving to a hybrid model, with some time in-office and other time at home. Without a constant face-to-face presence, connections are being lost, and this isolation can lead to feelings of loneliness that we didn't typically see pre-pandemic.

To combat these feelings of loneliness and take the place of face-to-face interactions and in-office high fives, leaders need to make employee accomplishments more visible to the entire business so employees feel more connected to one another and understand how their individual contributions can support business continuity and growth.

In fact,

74% of Australian employees surveyed stated that they would stay at their current company longer if they received more reward and recognition.

Making the invisible visible is becoming more and more challenging, especially with the new world of working. And that is being shown in companies that use old-fashioned reward and recognition techniques that were better suited for in-person celebrations.

What's more, while employers see the value in recognition, so do employees, with **nearly 47% of employees surveyed agreeing that this is the area they want their employer to increase their investment in the most.**

Creating the environment to make accomplishments known to the entire business so others see what 'great' or even 'good' looks like is key. And recognition, in whatever form it may take, is critically important to retain and attract key employees.

In a post-COVID-19 world, what are employees craving when it comes to being rewarded and recognised? The focus needs to be on rewarding and recognising employees where they are, which is why digital delivery has taken over as a primary means of recognising teams. The convenience of going digital-first translates into the mobile-first experience as well, with frontline employees needing a way to feel connected to and recognised by their peers without having day-to-day access to a computer.

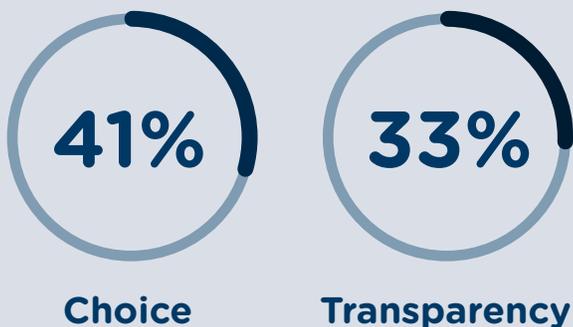




The third 'R' in R&R: Redemption

While the simple act of recognition is important for employee engagement, how employers reward and recognise is also coming sharply into focus. When it comes to how employees want to be rewarded, two main factors stand out, which is the need for choice and transparency.

A recent survey of 1,500 employees across the U.S., UK and Australia uncovered what employees value **most** when it comes to redeeming rewards from their employers:



We've seen in a recent survey that **72% of employees say** their employers could do more to motivate them, and that the number one driver of motivation in the long term is being shown appreciation for hard work.

The new redemption experience needs to anchor itself in choice and transparency, while also creating opportunities for personalisation. No matter where employees are located, the best employee rewards experience is immediate and timely so great work can be recognised and rewarded on the spot, when it happens, so employees feel that appreciation right away.

Bringing meaningful moments of reward and recognition that put employees in the driver's seat of choosing their top reward will lead to a better employee experience.



Employee retention and recognition in a post-COVID-19 world

The COVID-19 pandemic has given an opportunity for some employees to shine and demonstrate the incredible value they bring to organisations.

These were the people, like frontline workers, that accepted new challenges, that brought new ideas to the table, helped push the company forward and set a positive example for others.

Improving an organisation's employee recognition strategy can play an important role in retaining these employees, as organisations will want to keep the employees who are modelling the behaviours needed to recover and thrive in a post-COVID-19 era.

Recognition can help make an employee understand and trust that they **matter** to the business, and are **vital** to the company's recovery, as well as to its future success.



Unravelling the Recruitment Puzzle

The coronavirus has upended employment and recruitment as we know it. It has forced many businesses to close, and others to reinvent themselves and invest in new ways of working, while others have seen high-growth and a need to recruit top talent, quickly and efficiently.

The steps that companies take now to improve their recruitment strategy will be essential for coming out on top post-pandemic, and this starts with taking a hard look at a company's overall benefits strategy and what they are offering to their people.

95%

of Australian HR leaders surveyed plan to increase investment in employee benefits



We also know that in order to be competitive within the marketplace, we need a menu of benefits that is offered to our employees. One size does not fit everyone, so there is no point in offering or spending dollars on benefits if in fact it's not what our people are looking for."

Insight.

Marea Phillips,

Director of People and Culture
APAC at Insight

A company's brand and Employee Value Proposition (EVP) will play a critical role in its recruitment strategy. If organisations want a potential candidate to connect with their company, then they need to build a brand that stands out.

Employers today need to consider how their existing employees might describe their company if they were telling their friends about where they work. Would a competitive reward and benefits package top the list of 'why I love working at company X'?

If not, it's time to reevaluate what employees are receiving from their employers to make everyday life more affordable, and support the mental, physical and financial health of the people working in the business. When employers get it right, it's a winning combination that will attract and retain top talent, and help companies stand out among other employer brands.

How can HR get benefits right?

Getting the right benefits strategy in place starts with a comprehensive understanding of how employees engage with and have awareness of their existing benefits.

There are a few core elements that each benefits program introduced should include:

- **They should be centralised.** Good benefits are easy for employees to find, and for employers to administer. By having benefits centrally located in one place, it will logically lead to higher engagement and usage, proving the ROI of investments in an easy way. When enrollment is simple to understand, that's even better.

In a 2020 Reward Gateway survey, 42% of 751 HR leaders in the U.S., UK and Australia agreed that the pandemic has increased the importance of doing more with less time, money and resources by streamlining technology.

- **They should be aligned** to employee demographics. Workforces have never consisted of just one demographic, and so historically it's been difficult to cater to a diverse population of people who are at different stages of their careers and in their lives. To help, organisations should consider benefits that align with all stages of the employee lifecycle – what would baby boomers be interested in, versus Gen-Xers or millennials? A benefit that can reach the broadest demographic is a win-win for employees and for employers.
- **They should be flexible.** A one-size fits all approach to benefits won't result in engaged employees – benefits that can flex and change as your workforce evolves is critical for businesses to keep up with the changing needs of their employees. Being able to add and remove benefits quickly and easily in one benefits portal can make or break the levels of engagement companies see from their people.



Connecting and listening to employees

94%

of Australian HR leaders plan to increase investment in employee communications

and

92%

of Australian HR leaders plan to increase investment in employee surveys

“

One of the biggest benefits for us has been the ability to cut through the noise that's in people's inboxes or instant chats. To have that one people platform where employees could get all their information has made it so much easier for us to connect with everyone. Our platform, 'Launchpad' was as much an investment in employee engagement as it was in communications.”



Emma Trehy,

People Experience Manager
at MNF

Employers need to cut through 'email fatigue' (with the average office worker receiving more than 120 emails daily) and reach employees with important information, no matter where or how they work. Digital tools, like an internal communications platform, can help cut through the noise and deliver tailored content – via desktop or phone – to reach employees with the most relevant information.

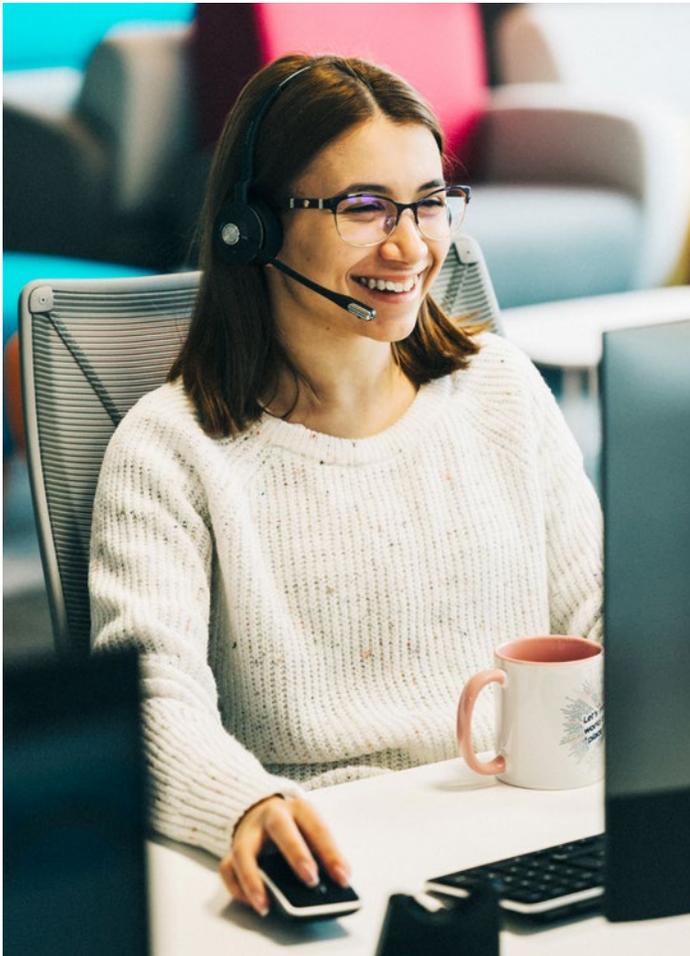
Plus, with face-to-face communications becoming less frequent (or there at all), there's been an increased focus on collaboration tools such as MS Teams, Slack and Yammer, meaning that much like employee recognition, employee communication tactics need to live where employees are already doing their day-to-day work.

Along with the changes in the way we work, there have been changes in the ways the world communicates – there's no one-size-fits-all approach.

Hybrid working means people are on the front lines, working from home or working in the office. With our people spread out across various locations, it's paramount that we centralise our digital tools in order to better connect people, no matter how or where they work.



In an ever-evolving environment, timely communication is critically important to a company's survival. Businesses that already had systems in place to get news out to employees about store closures, furloughs, safety measures and new protocols were one step ahead of their competitors, who lost time and crucial moments of communications trying to patch together or implement new, untested tools in the heat of the moment. The confusion and discord this created for employees further heightened the stress and productivity loss among employees.



In fact, only 24% of employees surveyed feel that they've received more open and honest communications from leadership as a result of COVID-19.

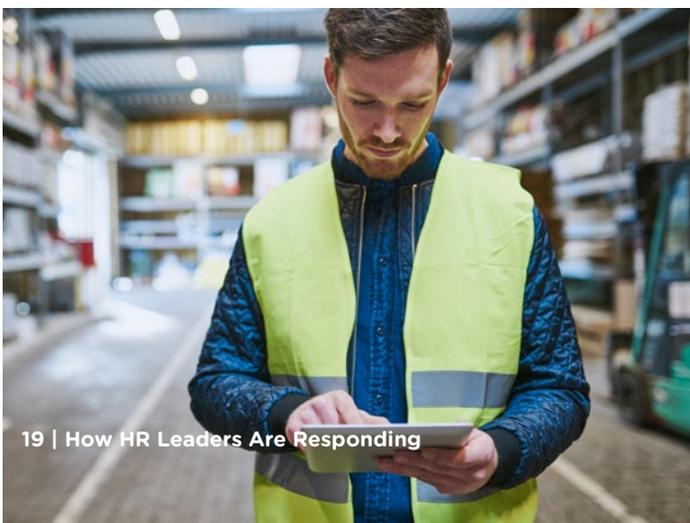
“

Our CEO, David Miles, has even started sending out a weekly communication, something which we never even considered doing before. That has been incredibly powerful and means that frontline staff now feel like they've got a genuine connection with senior leaders. They now regularly use our platform to send in questions and suggestions for our senior leadership team to respond to - and that's exactly the type of two-way communication we had always been missing.”

MEARS

Gary Jackson,

Group Director of Marketing
Communications & Customer
Success at Mears





The link between surveys and communications

While strategic communications can help bring a company closer to its employee base, employee surveys can help fuel that editorial calendar in serving up data and insights on what employees truly care about.

Consider this: Surveys can help determine how and why employees are feeling the way they feel, and communications help employees understand that they're being heard, and, more importantly, what their employer is doing about their concerns.

This has become all the more critical in the wake of COVID-19, where Reward Gateway clients saw a 187% increase in survey usage year-over-year from 2020-2021.

Use employee surveys to:

- Assess morale
- Redefine a benefits strategy
- Understand how employees want to be rewarded or recognised
- Understand new working habits to define new policies
- Gauge understanding and awareness of new policies or HR initiatives

Those businesses that were ahead turned to tactics like internal company blogs or multimedia communications to reach their employees. For example, Reward Gateway's clients with communications tools in place saw a 560% increase in the amount of company blogs published in the first year of the pandemic alone.

In a post-pandemic world, it's critical that employers put this opportunity to connect with their employees on a day-to-day basis on the forefront of their agenda.

The power of visible leadership

While leadership visibility is always important, in a remote or dispersed workplace environment, it's even more critical as employees look to their leaders for direction. When senior leaders speak, employees listen.

The powerful communications lessons learned during the height of the pandemic can be integrated into future employee communications strategies to include:

- Daily blog updates from members of the Leadership team to connect everyone in the business to company goals and mission
- Segmenting communications to deliver timely, relevant information to groups within the business
- Opening up channels for open feedback so employees can have a voice in what they desire for increased engagement and productivity
- Expand communications media to include video messages, to reach more employees on a human level
- Create 'digital hubs' to host specific resources and publish timely updates surrounding a particular topic, like returning to the offices



A purposeful focus on wellbeing

96%

of Australian HR leaders plan to increase investment in employee wellbeing

“

We've seen quite a few people really open up on some of our articles, it's become a place where staff can share their feelings around COVID, discuss their experience of working remotely or talk through any other issues they've faced with their own mental health. Our CEO and senior leaders are very invested in this too and regularly signpost the Wellbeing Centre as part of their company-wide communications.”

Checkatrade

Maddie Roberts,

Reward & Recognition Lead at online trade directory Checkatrade

When remote working became normal, and non-remote employees were on the front lines of a pandemic crisis, employee wellbeing came into focus. HR leaders sought to further support their people, mentally, physically and even financially to try to help them get through especially challenging times.

This focus has only grown stronger as we continue to see post-COVID-19 employee wellbeing is paramount to an organisation's overall EVP.

Our survey showed that

51% of employees would like their employers to increase spending on employee wellbeing in the next year as a top investment.

To help boost the employer brand proposition and support employees, HR leaders need to find ways to innovate their wellbeing initiatives amidst tightening budgets and uncertainty.

COVID-19 has deeply impacted financial stress for many employees, impacting their productivity, engagement, and their physical and mental health. While the easy solution could be to give employees a pay raise to help with their new burdens, it's a costly endeavor for the organisation, especially ones that need to save every dollar to ensure its business continuity and growth. But employees need the help.

A recent report from the Australian Bureau of Statistics states that just over 1 in 4 Australians expect their household expenses to increase over the next 12 months.





So employers need to find new ways to step up and offer financial support, without overwhelming a tight budget. Employee wellbeing doesn't have to be the largest spend in an organisation, and there are many budget-friendly ideas to put in place that can help. Here are just a few:

- Offer access to on-demand videos and articles to support all pillars of employee wellbeing, from financial to mental and physical. Employees can pick and choose what to engage with, and can access helpful wellbeing support at any time.
- Introduce new ways for employees to incrementally add to their salary through an employee benefits program to help them save on everyday and big-ticket items.
- Provide a free Employee Assistance Program (EAP) so everyone has a safe space to go to when they're in need of extra support during challenging times.
- Add a wellbeing allowance benefit to give a little extra money towards wellbeing initiatives that employees can choose.

Conclusion

Businesses everywhere are excited about the new opportunities in front of them, and ready to take the lessons and themes that have emerged throughout the pandemic and build a new strategy that's fit for the future. No matter what each individual business has been through (or is still going through), engaged employees remain at the heart of every successful company.

An engaged workforce can support rapid recovery and innovation for businesses, even as employees adapt to new ways of working. Over the course of the pandemic, a few key themes have emerged as pivotal:

- HR leaders agree that **attracting the best talent and keeping the right talent** is critical.
- Businesses need to **invest in essential areas** to engage employees and ensure business growth, such as reward and recognition, wellbeing, discounts, communications and surveys.
- Even **happy employees could be easily convinced to move jobs** if the right opportunity presented itself, which means businesses have to be on the lookout for innovative ways to deliver what their employees want.

Leaders must think creatively to maximise engagement with the right mix of tools and strategy – HR's toolkit isn't empty, it's overflowing. But the leaders that are ready to step into the future are the ones that are carefully choosing what they want to deliver to their people – whether

that's new ways to connect employees, offer them more reward and recognition or support them through day-to-day wellbeing benefits.

When building a workforce for the new way forward, consider that businesses that have prioritised aspects of engaging their employees through choosing the right tools for communications, recognition and wellbeing are the ones whose people are trusting them more than ever and are well-positioned to continue on to growth and success.



In the months and years that will follow the COVID-19 Reset, the workplace will undergo even more change than we've seen in the past. It's up to today's leaders to be the ones that are ready for it.

Presented by:



Learn more at rewardgateway.com

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