

PN PURPOSE TRACKER:

Employee Perspectives on Responsible Leadership During Crisis

WAVE X

AUGUST 2020

**PORTER
NOVELLI** 

Thank you, essential workers.

That is the phrase we've all seen posted on lawns, across social media and in advertising. The pandemic has more brightly shone a light on just how important our workforce is – especially those on the front lines providing necessary services during the continued coronavirus pandemic.

But, perhaps this moment of crisis has also made it clear how employees must always be a central stakeholder, as a critical component of the business ecosystem. It is the mandate of business to put employees first. And the world recognizes this. Now, more than ever, companies must not only protect the health and safety of employees – but allow them to thrive while at work and in their homes.

And in a world where a voice can become a movement through the power of social media, employees have become more empowered to share their perspectives on how their employers are acting. Employees look to be an active part in their company's Purpose journey, but will just as quickly call out employers they think are going against their values.

In the tenth wave of the Porter Novelli Tracker series, we'll unpack employee perspectives on the topics of the day – including COVID-19, social justice and racial inequality – as well as how Purpose-driven companies can better engage employees through shared values.

The new purpose imperative

EMPLOYEE VOICES ON THE RESPONSIBLE BUSINESS MANDATE

The global pandemic has put many things into perspective, and the need for companies to lead with a community-first, people-oriented approach is just one of them. For employees, this mandate is perhaps even stronger.

The majority (93%) of employees today believe now, more than ever before, companies must lead with Purpose. And this means employees understand business isn't about just making profits. In fact, nearly nine-in-10 (88%) employees believe it is no longer acceptable for companies just to make money; companies must positively impact society as well. And as business orients toward this new perspective on impact, employees understand that they are among the critical stakeholders business must keep in mind. Indeed, 95 percent of employees believe business must benefit all stakeholders, not just shareholders alone.

Employees today believe companies must lead with Purpose



93%

more than ever before, companies must lead with Purpose



88%

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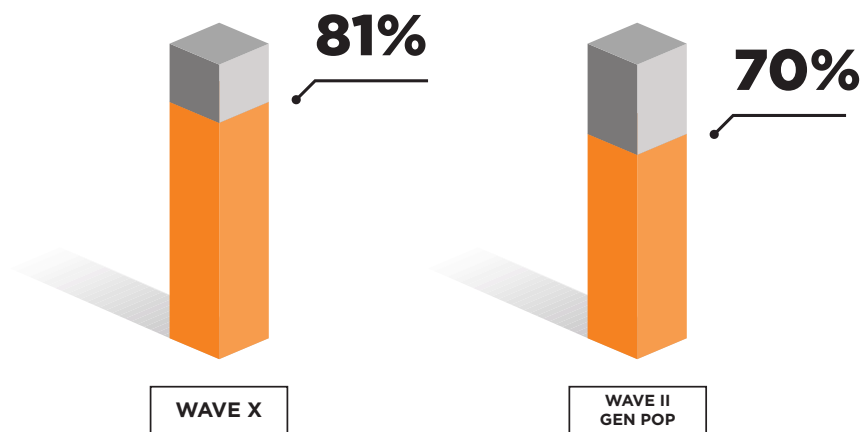
95%

business must benefit all stakeholders (e.g., customers, employees, suppliers, communities and shareholders), not just shareholders alone

The new purpose imperative

EMPLOYEE VOICES ON THE RESPONSIBLE BUSINESS MANDATE

This belief that Purpose is the go-forward strategy for companies is perhaps even more fervent among the employee stakeholder. When compared to the national average, full-time employees are 16 percent more likely to believe the pandemic will force more companies to act responsibly in the long term.



think the coronavirus pandemic will force companies to act more responsibly in the long-term (e.g., create programs and policies to protect workers, help communities and the environment)

Business benefits of engaging on purpose

RECRUITMENT AND RETENTION REPRESENT JUST PART OF THE NARRATIVE

The pandemic has crystalized that, for many employees, work is more than just a paycheck

This heightened understanding of the business mandate to act in support of myriad stakeholders is filtering into the employee consideration set for where to work and why. In fact, nearly nine-in-10 (88%) employees today say working for a company with a strong Purpose is more important to them now than ever before. The pandemic has crystalized that for many employees, work is more than just a paycheck, it is about feeling valued, respected and protected. Indeed, 93 percent of employees say due to the pandemic, it's more important to them that their employer cares about them as individuals. And perhaps not surprisingly, the employee stakeholder is more likely to believe companies have more responsibility than ever to create safe and healthy workspaces (85% vs. 73% Wave 5 Gen Pop Average).



88%

working for a company with a strong Purpose is more important to employees now than ever before



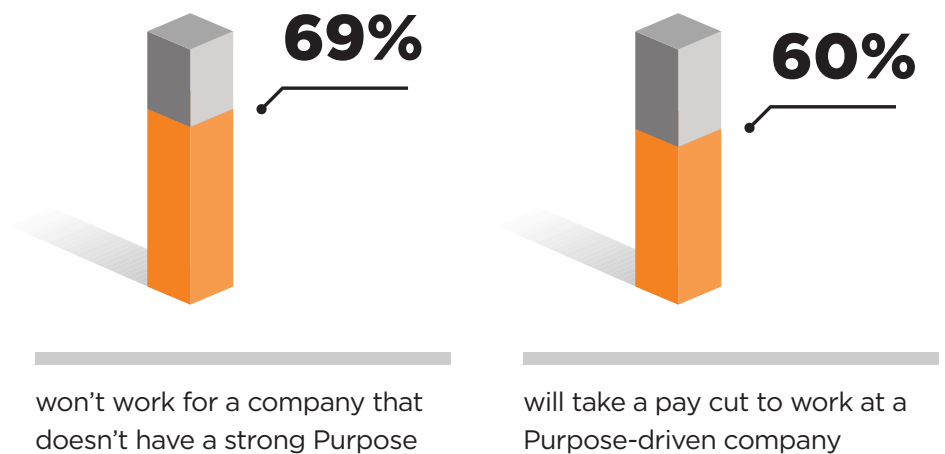
85%

believe companies have more responsibility than ever to create safe and healthy workspaces

Business benefits of engaging on purpose

RECRUITMENT AND RETENTION REPRESENT JUST PART OF THE NARRATIVE

Even in a shaky economy with many unknowns on the horizon, employees still seek out Purpose-driven employment and are willing to make sacrifices to feel they are making an impact at work. Today, 69 percent of employees said they won't work for a company that doesn't have a strong Purpose, and a further six-in-10 (60%) are so steadfast in their support of Purpose-driven companies, they said they'd take a pay cut to work at one.



Business benefits of engaging on purpose

RECRUITMENT AND RETENTION REPRESENT JUST PART OF THE NARRATIVE

For companies that take a stakeholder-centered approach and bring employees into the Purpose journey, the benefits stand to be numerous – not only in terms of recruitment and retention, but overall productivity and proclivity to share their company’s narrative with other key stakeholders. Companies taking this approach will be rewarded with a workforce who is more inspired (90%), motivated (89%) and productive (85%) at work. Employees also say when they work for Purpose-driven companies they are more likely to be loyal (89%) to that company and recommend their employer to others (92%). Finally, employees note they would share their company’s Purpose story with clients or customers (90%), giving credence and credibility to that company’s Purpose. All of this results in a highly engaged, energized workforce who is dedicated to the company’s mission, values and vision – and feels they are doing their part to help their company achieve it.

Confirming this, 86 percent of full-time employees say they actively participate in their company’s Purpose efforts, and a further 90 percent say they understand how their company’s Purpose aligns with their every day work.

When employees work for a company with a strong Purpose they report they would be:

MORE LIKELY TO RECOMMEND THEIR EMPLOYER	92%
MORE INSPIRED	90%
MORE LIKELY TO SHARE THEIR COMPANY’S PURPOSE	90%
MORE LOYAL	89%
MORE MOTIVATED	89%
MORE PRODUCTIVE	85%

How 2020 has reshaped employee expectations

EMPLOYEES RAISE THE BAR

Employees, in particular, are keenly aware of how companies respond not only to the global health crisis, but also the rising social justice movement. In fact, for many employees (66%), moments like the pandemic have caused them to care more about how their company acts.

In this moment of hyper-awareness, employees are not shying away from doing their own research – and voicing their opinions. Six-in-10 (61%) employees report they are more likely today than in the past to research what their company is doing to be responsible, and a further 55 percent say the coronavirus pandemic and racial equality conversation have made them more critical of what their own company is doing to address these issues.

The pandemic has made employees care more about how their company acts



66%

the coronavirus pandemic has made employees care more about how their company acts



61%

more likely today than in the past to research what their company is doing to be responsible



55%

the coronavirus pandemic and racial equality conversation have made them more critical of what their own company is doing to address these issues

Corporate response leaves room for improvement

EMPLOYEE PERSPECTIVES ON COMPANY PERFORMANCE ON PRESSING SOCIETAL ISSUES

Companies have a responsibility to address social justice issues

It's clear that while employees believe companies must have a seat at the table in these conversations, there is also much work to be done. While 63 percent of employees believe their company has a responsibility to address social justice issues, the bar is high. Four-in-10 (41%) employees today feel their company hasn't done enough to address these issues. And companies should be careful to ensure external messaging and communication matches the work being done inside the organization – as nearly half (48%) of employees report the external actions their company says it is taking to address social justice do not match up with internal actions.



63%

believe their company has a responsibility to address social justice issues



41%

believe their company hasn't done enough to address social justice issues



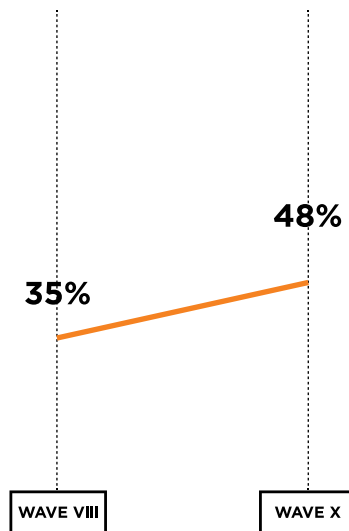
48%

external actions their company says it is taking to address social justice do not match up with internal actions (e.g., the programs and policies internally to address racism, sexual harassment, human rights)

Corporate response leaves room for improvement

EMPLOYEE PERSPECTIVES ON COMPANY PERFORMANCE ON PRESSING SOCIETAL ISSUES

And company action – or inaction – is putting employee retention at stake. Nearly half (46%) of employees say they are reconsidering their current job because they feel their company is not doing enough to address social justice issues externally – a 16 percent increase from early July.



Percentage of employees reconsidering their current job because they feel their company is not doing enough to address social justice issues externally

Corporate response leaves room for improvement

EMPLOYEE PERSPECTIVES ON COMPANY PERFORMANCE ON PRESSING SOCIETAL ISSUES

When it comes to response to the ongoing coronavirus pandemic, the overall sentiment is more positive. Nearly eight-in-10 (78%) employees say they think their employer has done a good job supporting employees during the pandemic – and more employees (87%) say they are proud of how their company responded.

Yet, as is the case with many crisis situations, there is room for further improvement. More than half (55%) of employees think their company could have acted faster to put new programs and policies in place in response to the coronavirus pandemic – a sentiment that has only increased as the pandemic has progressed, from 42 percent in early April (Wave 1). Employees are also steadfast in their belief CEOs and business leaders must be leading the COVID-19 response conversation, with nearly six-in-10 (57%) stating they think their CEO should be more vocal in response efforts, also increasing slightly from mid-May (51%).

THINK THEIR EMPLOYER HAS DONE A GOOD JOB SUPPORTING EMPLOYEES DURING THE PANDEMIC	78%
ARE PROUD OF HOW THEIR COMPANY RESPONDED	87%
THINK THEIR COMPANY COULD HAVE ACTED FASTER TO PUT NEW PROGRAMS/POLICIES IN PLACE IN RESPONSE TO THE PANDEMIC	55%
THINK THEIR CEO SHOULD BE MORE VOCAL IN CORONAVIRUS RESPONSE EFFORTS	57%

DE&I in focus

EMPLOYEES WEIGH IN ON INTERNAL ACTIONS

As an internal reflection of a company's commitment to racial equality – as well as other social justice issues – diversity, equity and inclusion (DE&I) has been under the microscope in recent months. For employees, it is high time companies take a keen look at how they are building and supporting DE&I in the workplace, as two-thirds (66%) wish their company would prioritize DE&I more. Communication and transparency are key to engagement among employees as well. Eight-in-10 (80%) want to know what their employer is doing to make the workplace more inclusive, and a further 66 percent wish their company would be more open about its DE&I journey – and where it needs to improve.

But for employees, supporting DE&I is more than just internal action. Forty-two percent of employees say don't see themselves reflected in their company's marketing and communications – again revealing how employees are keeping a keen eye on external expressions of the company and brand.

WISH THEIR COMPANY WOULD PRIORITIZE DE&I MORE	66%
WANT TO KNOW WHAT THEIR EMPLOYER IS DOING TO MAKE THE WORKPLACE MORE INCLUSIVE	80%
WISH THEIR COMPANY WOULD BE MORE OPEN ABOUT ITS DE&I JOURNEY - AND WHERE IT NEEDS TO IMPROVE	66%
DON'T SEE THEMSELVES REFLECTED IN THEIR COMPANY'S MARKETING AND COMMUNICATIONS	42%

Methodology

Porter Novelli fielded a series of surveys to gather people's insights regarding the coronavirus (COVID-19), Purpose-driven companies and social justice. This wave was fielded online via Toluna between August 5-12, 2020, and a total sample of 1,003 U.S. adults who work full-time at companies with 500+ employees was collected.

About Porter Novelli

Porter Novelli is a global purpose communications consultancy born from the idea that the art of communication can advance society. More than 45 years ago, we opened our doors – and people's eyes and minds – for brands driven to make a positive impact. Today, we believe that organizations must find, live and tell their purpose in order to thrive. Those companies will motivate action, secure loyalty and encourage advocacy — all in service to a healthier bottom line. Porter Novelli is a part of the Omnicom Public Relations Group.

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