



# The great disconnect: realigning employer & employee expectations

**Ledetta Asfa-Wossen** went along to hear how employer and employee needs are changing at a recent Economist Impact event.

The contract between employers and employees has changed in recent years. Up until this point, responsibilities to workers have been pretty simple: provide economic security and a sense of belonging. The pandemic helped shift this relationship, with employees coming to expect flexible working, less supervision and more emphasis on their personal health and wellbeing.

To make matters complicated, economic and geopolitical trends have put stress upon companies. Employees are now left wondering if any recently won support and benefits might be short-lived as businesses begin to cut back. Meanwhile, technology's advance and the need for both businesses and people to remain desirable and competitive continues. But where does this leave the employer and employee dynamic?

## RELATIONSHIP DYNAMICS

To kick off, panellists offered their perspectives on how the contract between employers and employees is evolving.

"The employer and employee relationship is something that is becoming top of minds for everybody,"

said Heidi Sichien, chief people officer at Philips. "The art is to link people centricity with the values you want to create as an organisation. Hooking up people's personal requirements with the organisational need is essential in avoiding that disconnect."

Wendy Sherry, CEO Americas at Cigna Healthcare, discussed how the pandemic has caused many individuals to reassess what's important to them.

"Our latest study revealed some key markers that really show a shift in employee attitude. For instance, 75% of people we spoke to said being close to their families and friends was more important now than it was pre-pandemic. While 71% of our respondents said they're looking to their employers to help with their health and wellbeing more than ever before. Perhaps the most surprising, 60% said they valued time for themselves over a well-paid job," added Sherry.

According to Sherry, the research also indicates that employers providing basic healthcare benefits is just no longer sufficient.

"Another factor has been the cost-of-living crisis and global inflation. People are starting to feel the pressure



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CIGNA HEALTHCARE



of getting their health costs met along with their other needs and there is stress that comes with that. So employers definitely have a clear role here to provide better support for individuals.”

Sherry’s suggestion to employers? Think of the workplace as more than just a place of work. “Employers that are able to provide that more holistic care to help with people’s vitality and wellbeing will in return get employees that are more productive, loyal and dedicated to their organisational goals.”

This was echoed by Ebighé Emafo, senior vice

president, people and culture at the International Rescue Committee. “We’re really witnessing a shift from a typically transactional-based approach to a more experience-based approach that is anchored in trust, particularly for those organisations that really want to have a talent advantage.

“It’s a real move from that old rule-based way of work to employers and employees co-creating to improve the workplace experience. People are also looking to enhance the impact they make, both in and outside of work, in a way that aligns with what matters to them outside of work, and I think we’re going to see more of that as time goes on.”

#### TRANSACTIONAL ELEMENTS STILL MATTER

But according to Davide Ravasi, professor of strategy and entrepreneurship and director of UCL School of Management, despite shifting employee behaviour, many of the same rules still apply.

“I agree change is here, that we want a work-life balance and that younger generations may be placing more emphasis on relational things like flexibility, growth, belonging and values, but I would not overstate that. Transactional elements still matter and there is a risk that we forget that.”

Transactional benefits are particularly important for a lot of young people, said Ravasi. They also still matter for people who may not already be well paid, or who cannot afford to be picky over what roles they do, and whether it has meaning to them.

“Furthermore, those younger generations are going to get older and want to build homes and families, which will likely cause them to value those transactional elements even more. And let’s not forget, sometimes the transactional is the relational. If someone wants to feel valued, one way of showing them that is by reward, whether that’s promotion, investing in training or better pay. Things are changing, but some things have not entirely changed.”

#### THE WAY FORWARD FOR EMPLOYERS

On the flip side, employers are feeling the pinch too. Will companies have to sacrifice financial performance and productivity to invest in employee health and wellbeing?

Sichien doesn’t think so. In fact, spending money on health and wellbeing has been a sound investment in her experience.

“According to a Deloitte report, companies investing in employee mental health will get back five times what they put in. But the important thing is that these initiatives need to be embedded in your corporate strategy and culture so the ROI comes fully back. It can’t be just an HR tool or one-off grassroots idea. It has to run right through the company. At Philips, we unfortunately had to let go of a few people recently, but we made sure we kept fully invested in mental health and training people to be mental health champions, including leadership, and it’s really paying off.”

That support has to run right up to people leaving the company too, said Sichien, as employees really take notice of that.

John Ferguson, practice lead for new globalisation at Economist Impact tried to redress the balance and understand the potential workload for organisations in delivering these wellbeing initiatives, particularly if they are small. Others debated the importance of companies approaching benefits in the right way.

“Wellbeing initiatives are excellent and it’s better to have them than not,” added Ravasi, but he warned that it can sometimes be because organisations are afraid to treat the cause.

“For instance, employee sickness in the workplace is often a result of feeling overworked, under-resourced, having excessive expectations, or being unprepared. There is often a root cause, like the culture or business model. It may be cheaper or easier to treat a symptom instead of the more difficult profound and radical thing to change the business. This is not what always happens, but it’s definitely worth organisations asking if there is anything in the

way you operate that might be causing issues.”

Another area of discussion was talent and how responsible employers are upskilling and reskilling in the face of cost pressures.

“Talent sourcing and development is one of the most difficult and important things organisations can do to create an advantage for themselves. You have to look at your skills profile across the board. While many organisations really leverage the build, buy and borrow strategy – which are all important – it’s critical that they amplify the ‘build’. Why? Because it’s the most sustainable and cost-effective of the three.”

In addition to closing the skills gap, you’re also providing a clear employee benefit and enhancing their mobility within the organisation, added Emafo.

It’s clear that complete alignment of both employee and employer needs will take some work and effort in a challenging climate, but the panel was confident that solutions do exist where both sides can win, and prosper.

“There is a tendency to approach things that have impact as a fashion or trend, and then forget about it. If organisations follow that they will disappoint on their purpose,” said Ravasi. “It takes intention when organisations are reflecting on matters of purpose. You have to understand what exactly you’re happy to sacrifice and what you want to prioritise.”

Ravasi also touched on the increasing need for companies to exercise authenticity and be true to their word before developing bold employee initiatives, statements or decisions.

“Ultimately, all these words we use like consistency, honesty, transparency, authenticity, communication, are all elements of a bigger word – and that’s trust,” concluded Sherry.

“That trust all starts with companies sharing their values and expectations and understanding what matters to their employees by asking the right questions, and listening to them.” ●

#### NUMBER CRUNCH

**67%** The number of people who say that inflation is making it too expensive to stay healthy

**59%** The number of employees who say they wish they had more support from their employer to live a healthier life

*“Statistics from the latest ‘Cigna Healthcare 2023 report: Setting a course for global vitality’*

