

CARE TO DO BETTER - EUROPE

**Building the trust that leaves your
people and your business net better off**



Taking care of your business means taking care of your people

As the COVID-19 pandemic continues to evolve, business leaders are being tested to navigate an unprecedented medical, social and economic crisis. While battling to keep their organisations financially secure, they also face the challenge of maintaining their people's trust, motivation and engagement, if not their overall affiliation and identification with their employer.

In Europe this poses a unique problem. European workers feel fundamentally more protected and looked after. Powerful unions represent them and their rights and they benefit from social security and stringent labour laws. In short, Europe's employers and employees enjoy a social contract rarely found elsewhere in the world.

But with the COVID-19 pandemic came the danger of a detrimental disconnect between both sides. European leaders were suddenly asking: how can we shield our workforce from the virus while maintaining their commitment to the company? And how can we make our people feel—and indeed be—Net Better Off?

“Net Better Off” is the name of our framework that identifies six fundamental human needs and enables companies to unlock their people's full potential, as we will detail later in this report. Leaving people Net Better Off pays off, and that is true not only in Europe.

High trust levels elevate both the business and the broader stakeholder community. And once the COVID-19 crisis passes, people will take greater consideration about where they choose to work. Organisations that have left people Net Better Off will attract and retain the best and brightest.

In this report, we explain how.

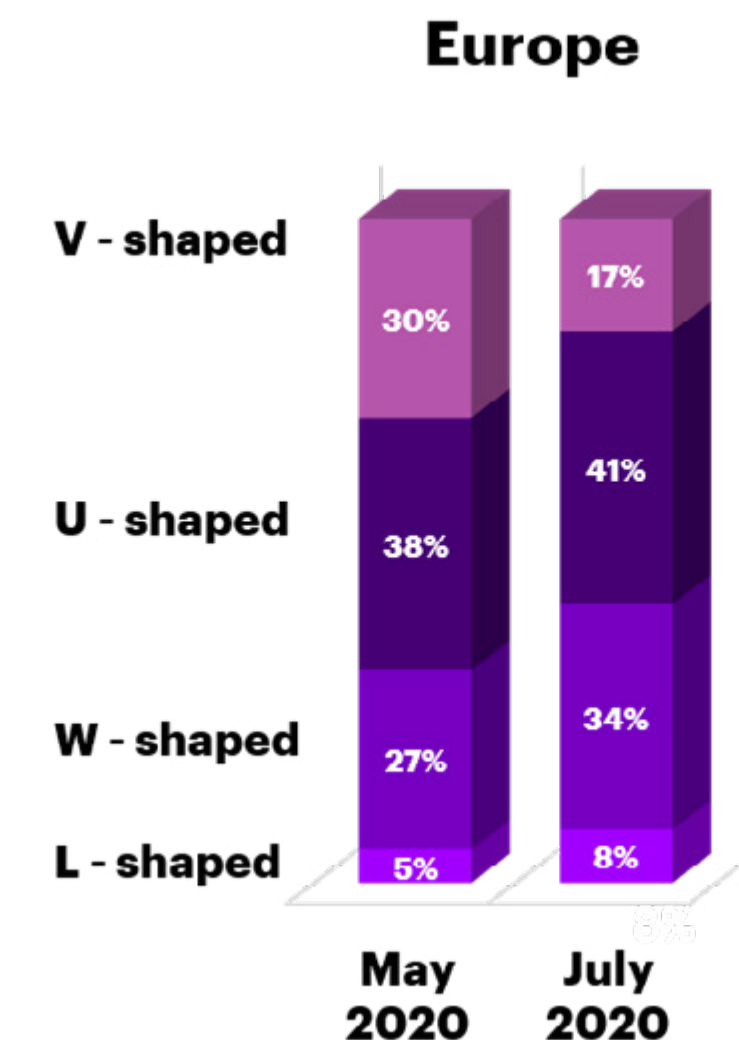
Caring for employees makes them Net Better Off – all the more so in a crisis

Throughout the coronavirus pandemic, business leaders around the world have come under enormous pressure to just guide their companies through the next week, month or quarter. The recovery everybody hoped for after the first wave in spring 2020 turned out to be more subdued than anticipated.

In May 2020, 30 percent of business leaders still expected the recovery in Europe to follow a quick and sustained V-shape². Only two months later, the expectations of 700 respondents interviewed anticipated a slower U-shaped recovery³ (Fig 1).

Now, more than ever, workers are looking to their leaders for support when it comes to their individual medical, social and financial needs. This is especially true in Europe, where a close employer/employee relationship is highly valued. But is it realistic to think that while companies are struggling, they can also focus on caring for their people? The answer is yes, and the Net Better Off framework offers a way forward.

In your industry, what type of recovery do you expect in each of the following markets in the next 12 months?



Source: Accenture C-Suite Survey, Wave 1 (May 2020) Total N = 478, Wave 2 (July 2020) Total N = 700

Figure 1: Changing outlooks



In May 2020, 30 percent of business leaders still expected the recovery in Europe to follow a quick and sustained V shape. But only two months later the expectation was for a slower U shaped recovery

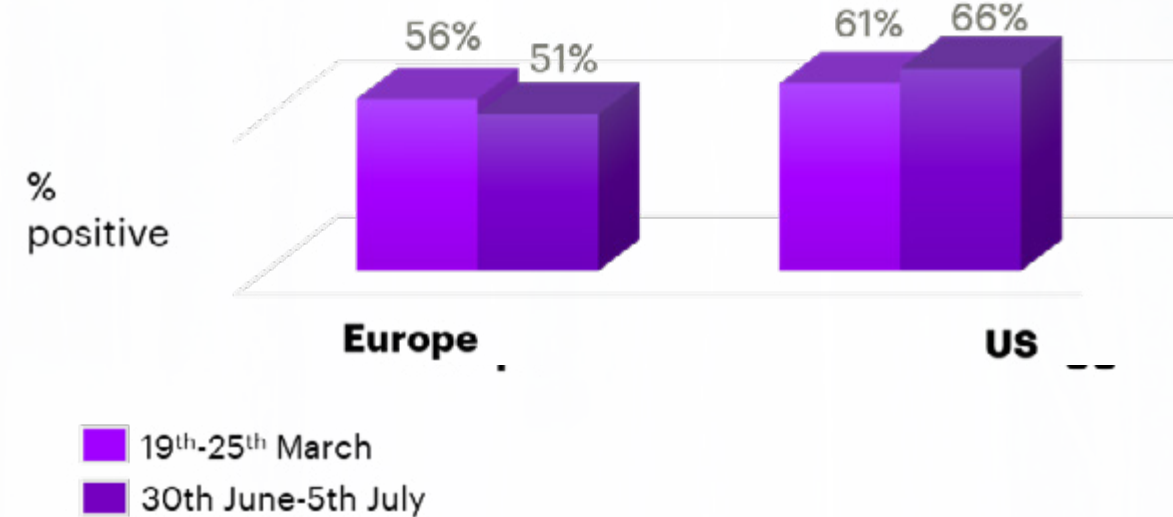
Trust is a currency that seems to have lost its uniform value for both leaders and workers

Against the backdrop of the pandemic, workers have asked tough but legitimate questions: how does my organisation meet my individual needs? How is it supporting me as a remote worker? How is it going to keep me safe when I return to the office? And how safe is my job and will my input still matter once this is over?

These concerns are reflected in our figures. While the overall employer ratings among workers in the US have improved since the onset of the pandemic, they have decreased in Europe⁴ (Fig 2) – mostly so in Germany and Italy, two countries well-known for their traditionally close social contract. Employer ratings dropped by around 10 percentage points in these countries in just a few months, mirroring a decline in all other major European countries (Fig 3).

Chart 1: Employee's rating of employer since COVID-19 outbreak (% of positive rating)

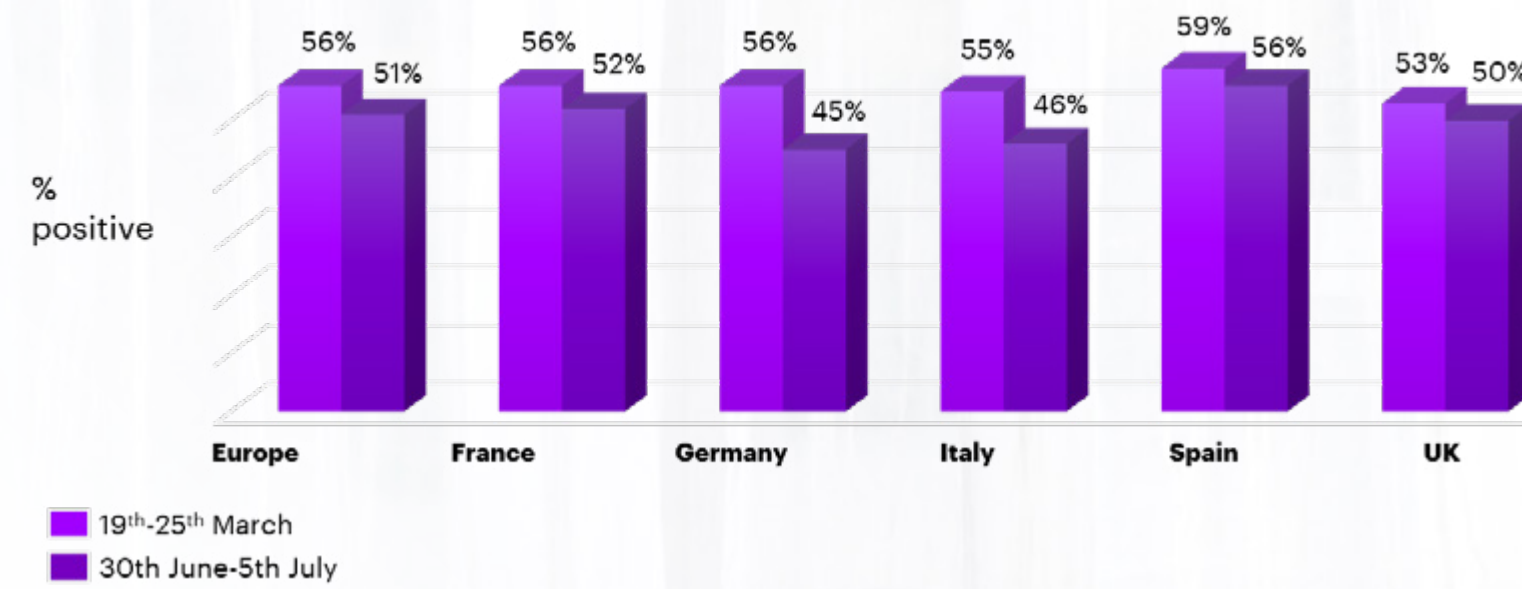
Employee's rating of employer since COVID-19 outbreak



Source: Accenture COVID-19 Consumer Research, conducted 30th June – 5th July, N = 5810 all respondents.

Figure 2: Employee's rating of employer since COVID-19 outbreak is decreasing in Europe (% of positive rating)

Employee's rating of employer since COVID-19 outbreak



Source: Accenture COVID-19 Consumer Research, conducted 30th June – 5th July, N = 5810 all respondents.

Figure 3: Employee's rating of employers dropped by up to 10 percent in some European countries



Our research also shows that employers, as well as employees, have started to look at trust and other markers of support, such as responsibility, empathy and transparency, from many different angles.

In monthly global pulse surveys conducted by Accenture Research from March-July 2020, we found that 71 percent of European C-level executives consider themselves more trustworthy than before the pandemic and 69 percent view themselves as more empathetic. However, only 57 percent of workers trust that their company is doing the right thing during the crisis and just 53 percent feel supported by their employer⁵. Similar gaps between employees' and employers' perceptions also exist in the areas of responsibility and transparency.

Perception on employers' responses since Covid 19 outbreak in Europe

Proportion of consumers vs. employers who agree with statement

	Employees		Employers	
I trust my employer to do the right thing during the coronavirus crisis	57%	Trust	71%	My leadership is being considered more trustworthy than before
I feel my employer's actions during the coronavirus demonstrate their commitment to society and our planet	54%	Responsible	71%	My leadership is prioritizing society over profits
I feel supported by my employer	53%	Empathy	69%	My leadership is being considered as more empathetic than before
My employer keeps me well informed with the latest updates about coronavirus	53%	Transparency	72%	My leadership is displaying greater levels of transparency and accountability

Source: Accenture COVID-19 Consumer Research, conducted 30th June – 5th July, N = 2,790 respondents working from home. Accenture Research C-suite Functional Pulse Survey, n=700; data collected from June – July 2020

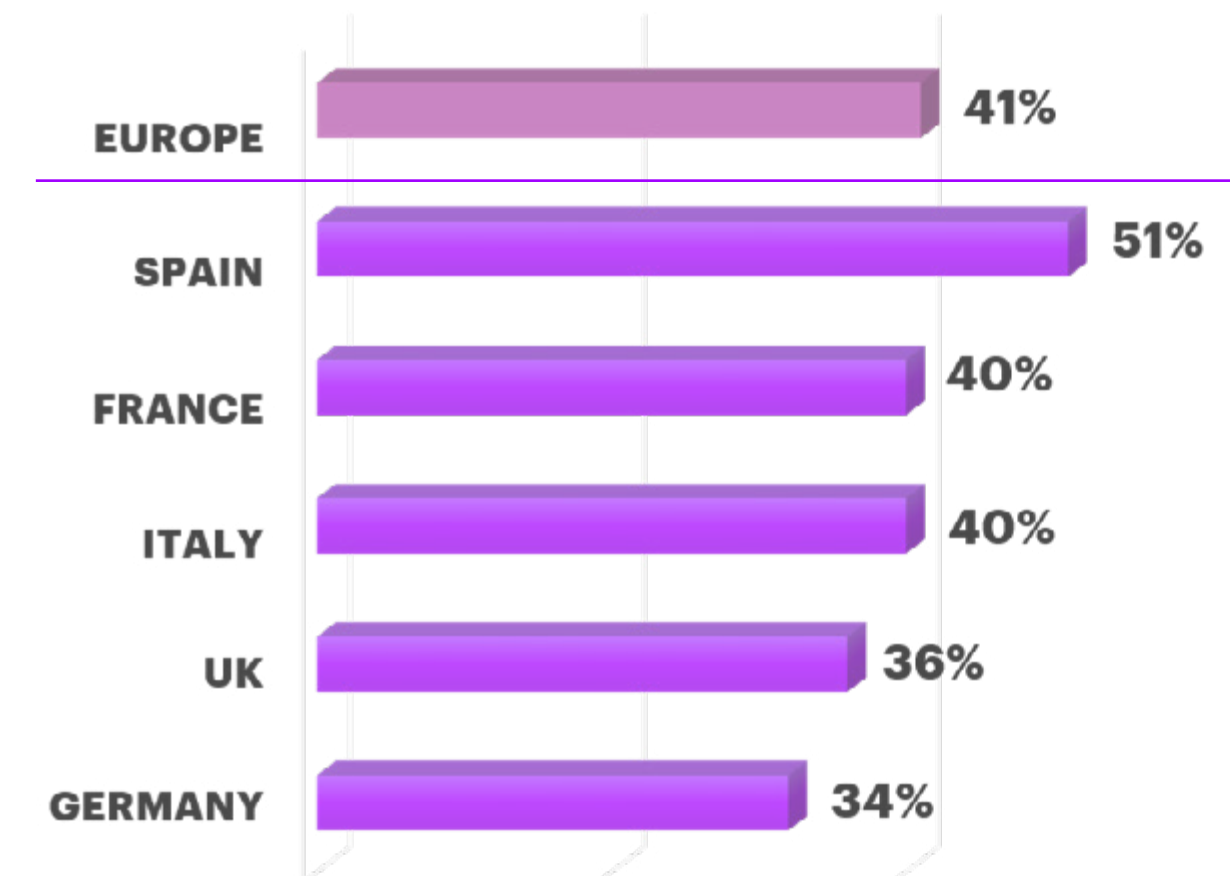
Figure 4: Disconnect on trust and support between employees and employers in Europe since Covid 19 outbreak

Europe's social contract appears to have suffered a setback, and this has ramifications for job loyalty. The assumption that employees become less prone to explore other job opportunities in times of crisis is being challenged. Our research reveals that 41 percent of workers in Europe are right now contemplating career changes⁶, though with marked differences at country levels (Fig 5). For instance, 51 percent of Spanish workers and 40 percent of workers in France and in Italy consider now joining new employers or changing jobs. This is particularly striking given that all three of these countries have been hit harder than many others in Europe by the pandemic.

It appears many workers might still sufficiently trust their employers, but they aren't necessarily as committed to them as they were before the COVID-19 crisis. Those with 'hot' skills, such as data science and IT, are most likely to look for new opportunities elsewhere. Others might find that their current job insecurity means now is the right time to start their own business or explore the possibility of working in a different sector.

Coronavirus has prompted me to consider a career (e.g. sector) change

Proportion of consumers who agree with statement



Source: Accenture COVID-19 Consumer Research, conducted 30th June – 5th July, N = 2,790 respondents working from home.

Figure 5: Commitment to employers is challenged

Required: a model for a new social contract making people Net Better Off

The 2020 Accenture Research report '[Bold Moves in Tough Times](#)' shows that there is an opportunity for renewed competitiveness across Europe and there is a uniquely European path for business reinvention based on three pillars—the focus on people being one of them (Fig 6).

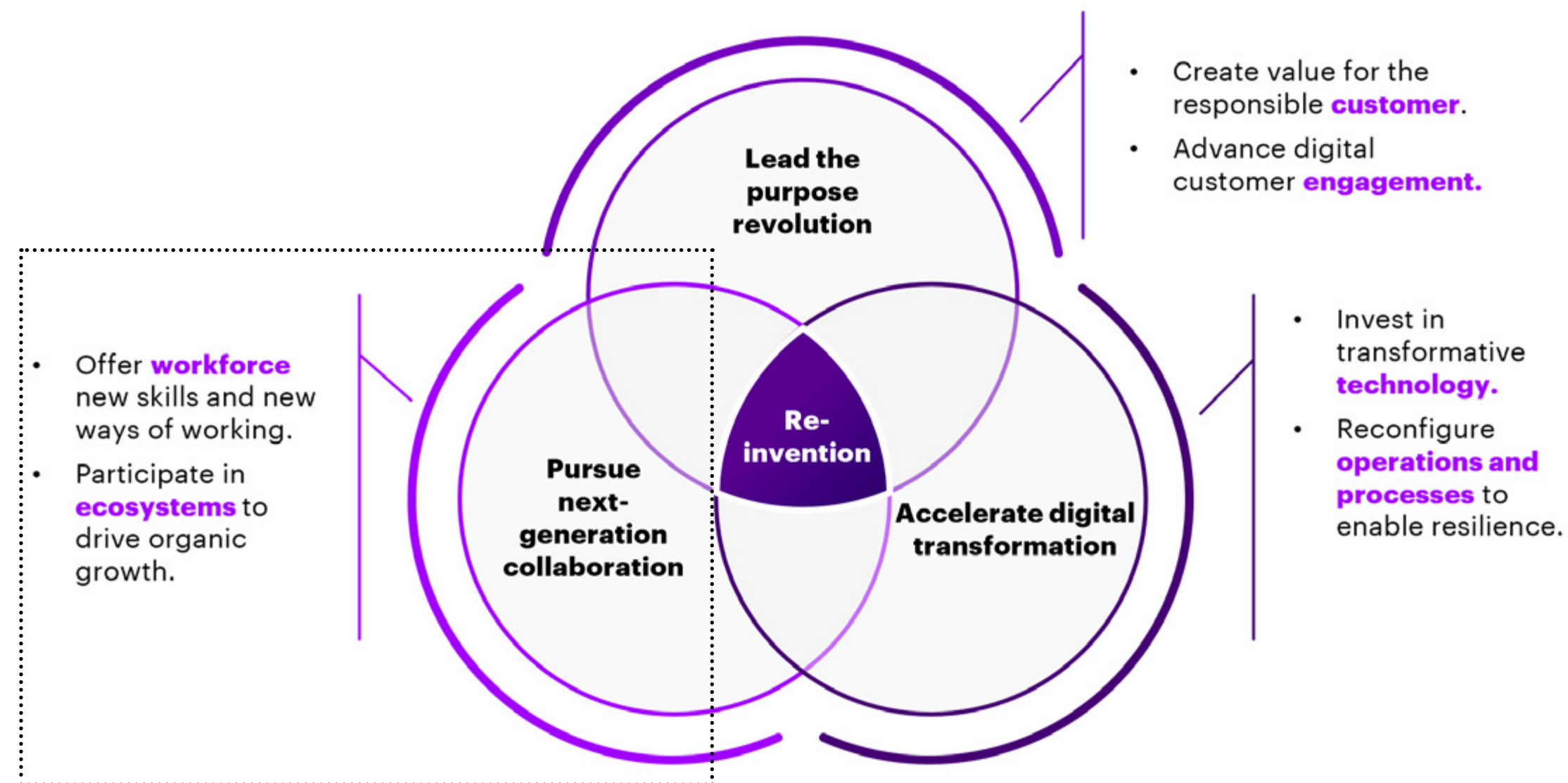


Figure 6: European path for reinvention

To understand how businesses can capture the opportunities, we undertook a first-of-its-kind [Global survey](#) of 3,200 senior executives, of which 50 percent were HR decision makers, with the remainder being other CXOs. We also included replies from around 15,600 workers spanning 15 industries and 10 countries.

[This study](#) uncovered a powerful message: by matching just six fundamental human needs in the workplace, companies—including those in Europe—can unlock their workers' maximum potential in a crisis. The framework covers all current worker needs at emotional and mental, relational, physical, financial, purposeful and employable levels.

We chose to title the framework "Net Better Off", echoing common business terms such as net income (income earned after deductions), net benefit (the difference between benefits and costs) and net promoter score (measuring a company's promoters against its detractors). Likewise, Net Better Off measures and brings into focus what inspires workers' potential. Whether we're looking at a factory worker in Stuttgart or a private equity banker in Singapore, this model shows that organisations can't unlock their people's potential if they do not take steps to make them Net Better Off.

We found that 64 percent of a person's potential—defined by their ability to use their skills and strengths at work—is influenced by whether they feel Net Better Off (Fig 7). Conversely, less than nine percent can be explained by factors such as formal education, tenure, level, industry, geography and company size⁷.

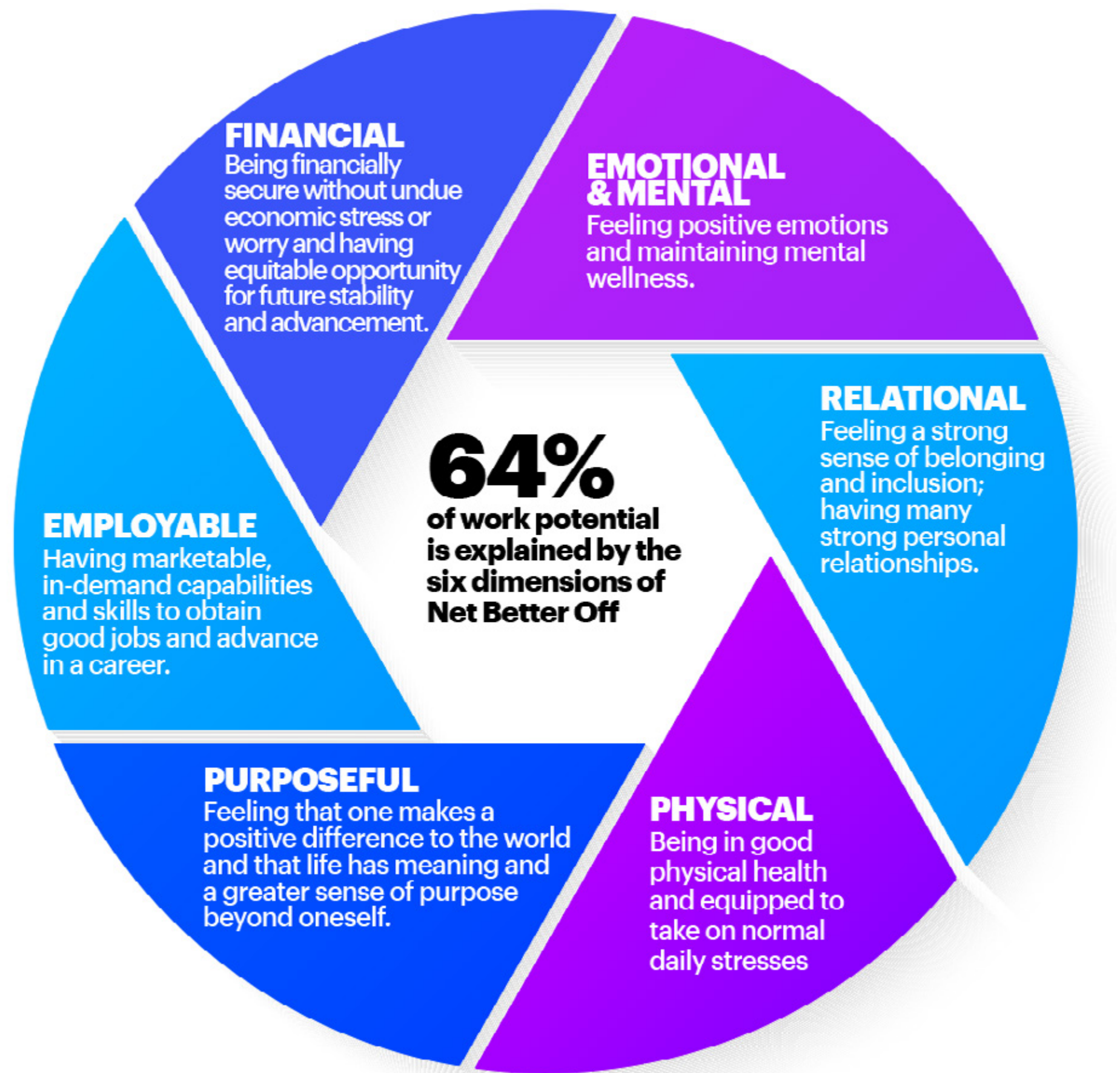


Figure 7: Net Better Off addresses fundamental human needs

The needs addressed in the Net Better Off model also reflect the changing nature of work. The boundaries between people’s work and personal lives are blurring, intensified by the fact that 66 percent of the European workforce shifted to working from home during the first infection wave of the pandemic⁸. Mental health, time for physical activity and relational needs are all heightened when people find themselves in isolation.

We are seeing that financial, employable and purposeful needs also require broader support as 51 percent of workers in Europe are concerned about their job security and are reassessing their priorities⁹ (Fig 8). Such factors have contributed to research which suggests the mental health impact of the pandemic could last much longer than the physical health impact.^{10, 11}

Proportion of consumers worried about the impact of the outbreak on...

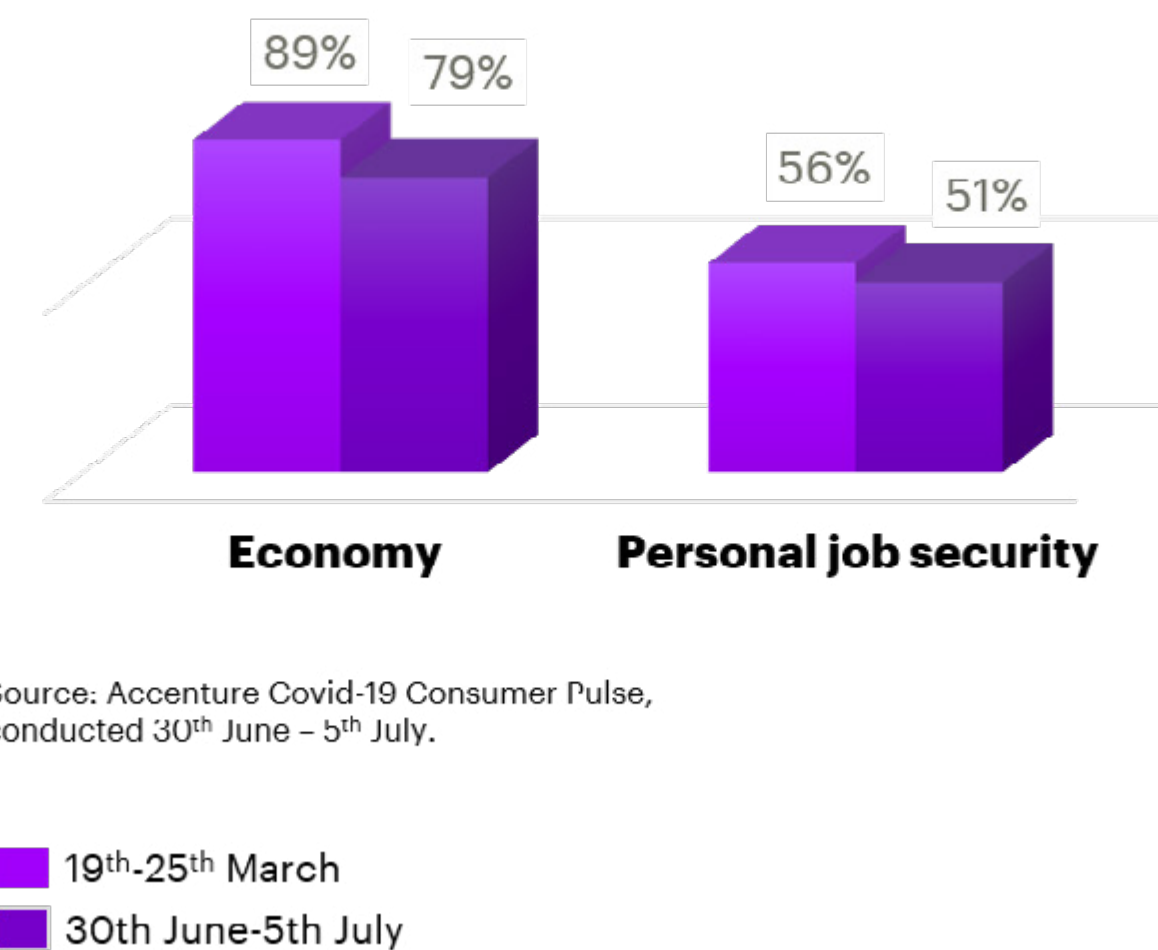


Figure 8: High levels of concern continue in Europe on the economy and job security

Adopting a holistic employee strategy will be critical for European companies as they position for growth after the pandemic. Surveying employees, we found that each of our wheel chart's six dimensions were significantly correlated with people's trust in their employers. Feeling and being Net Better Off clearly drives affiliation to work. If employers boost our six dimensions—particularly the ones related to emotional and relational needs (Fig 9), they can reinvigorate the social contract and are likely to see an increase in business performance as a result.

Injecting trust into workers translates into growth. We found that even with today's economic challenges, businesses with close, caring and trusting work relations stand to gain upwards of five percent revenue growth—compared to a decline of 4.7 percent expected at company levels for 2020¹². Even applied to pre-pandemic growth rates, businesses can expect double-digit revenue expansion by heeding the employment culture reflected in our framework.

Key relative impact of net better off dimension on workers' behaviour.



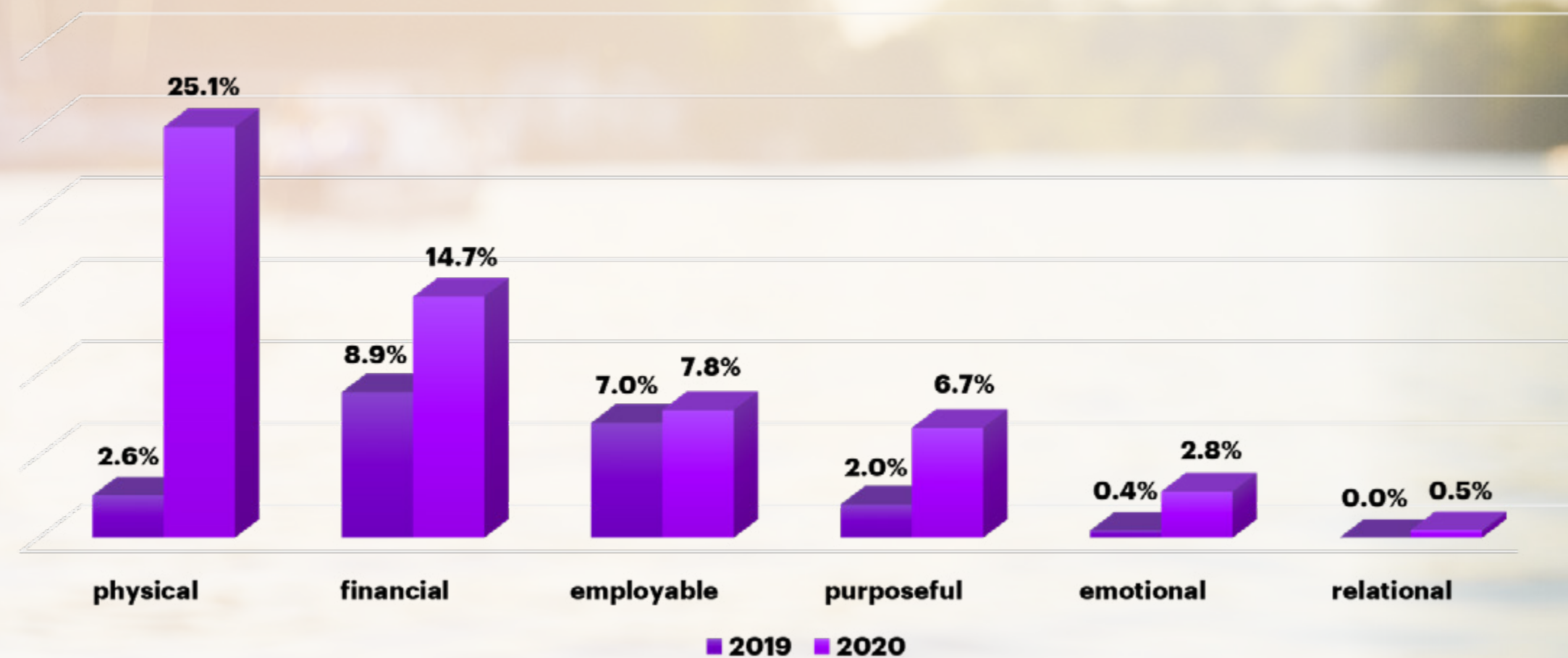
Figure 9: The strongest drivers of worker behaviour are attributed to relational and emotional dimensions of Net Better Off

We found that, before the pandemic struck, the emotional, relational and purposeful dimensions were the strongest drivers of positive employee behaviour. After the start of the pandemic, physical needs rose in importance, while relational, employable and financial needs remained high.

However, most business leaders seem only prepared to deal with subsets of our six dimensions and not the whole range. Before the crisis, they tended to focus on their people's employable and financial needs. This alone will not unlock the longer-term potential or secure enough trust with employees. As organisations seek to establish trust and lead responsibly, meeting workers' emotional, relational, purposeful and physical needs are also of utmost importance.

Still, it is encouraging that C-level executives are thinking and talking more about our six dimensions over the course of the pandemic, even if relational and emotional needs—identified as particularly important for people—remain relatively low. Our analysis shows that workers' needs intensified during 2020 earnings calls versus 2019¹³ (Fig 10). Physical, purposeful, as well as emotional needs have significantly jumped upwards on the agenda.

Share of earning calls mentioning the topic at least once during the year (European G2K companies)



Source: Accenture analysis.

Figure 10: Net better-off dimensions increased in European companies' priorities during the past year

Heed the five “Sweet Spot” practices to reinvigorate the social contract

So, what should executives do in practical terms?

Armed with a clear understanding of Net Better Off, we used statistical testing methods to check 20 employer practices for their support of revenue growth, trust-building and how they help employees reach their potential. These were then whittled down to five core practices (Fig 11) that, taken together, form Sweet Spots, paying dividends for both employees and the organisation.



We used statistical testing methods to check 20 employer practices for their support of revenue growth, trust-building and how they help employees reach their potential



Figure 11: The 5 sweet spot practices

01. Enable continuous learning

Organisations that enable continuous learning use data analysis to anticipate future skills needs and train people accordingly. They also deconstruct and reconstruct roles, checking which tasks are best suited for machines and which require human skills. They also use technology and innovative methods to make employee learning experiences more effective and accessible.

A case in point:

[Oxford Medical Simulation](#) put into place a platform where trainees can engage with fully unreactive and unwell patients, using either virtual reality headsets or standard computers. They manage the patient as they would in real life diagnosing, treating and interacting with others in the team. For instance, it offers a free medical training system during the COVID-19 pandemic to help hospitals and medical schools bring in retired doctors and nurses to provide patient care.

2. Listen to what your people need at the front lines

Businesses leading in this practice use technology to anticipate, predict and respond quickly to their people's needs. They use two-way communication applications that flag trends while giving individuals a voice. This allows them to build trust by applying insights in a way that provides clear benefits to individuals, not just to the business.

A case in point:

ABN AMRO¹⁴ placed employee experience at the centre of HR services and its operating model. It leverages people analytics with different surveys to study behavioural drivers, segment users into types of personas and create journey maps that inform HR services of the results. It collects data from different sources, but the most promising aspect is for new joiners who are asked to download an app and answer questions, such as "To what extent is it clear what is expected of you?"

3. Use technology to enable flexible work

Many businesses apply intelligent technologies to automate tasks and improve productivity. Organisations that lead in this practice do more. They select and apply technologies that enable them to reimagine work and processes through greater human-machine collaboration. They use technology to accelerate flexible work, freeing their people to engage in more fulfilling and innovative tasks.

A case in point:

The German engineering giant [Bosch](#) has put into place global flexible work models, available for most employees. The aim is to make employees' working hours tailored to their life, on a schedule that suits their needs. For employees who choose to work from home, Bosch provides all the amenities they need to fulfill their responsibilities. This policy has helped the company to function normally during the pandemic.

4. Champion workforce wellbeing and equality

Organisations that lead the way in this area continually support and refine their wellbeing initiatives to reflect people's changing needs. For instance, during the current pandemic, organisations have had to be nimble to redesign and create initiatives to safeguard the physical and psychological wellbeing of their workers.

A case in point:

Direct Line has an [Employee Assistance Programme](#) (EAP) which has helped train more than 1,000 managers in mental health awareness, and ensured there is a mental health first aid representative on every floor of every office building.

The company's mental health programme also addresses financial wellbeing (a potential stressor for many individuals), specially for the younger generation.

5. Set and share people metrics

Our [‘Modern Boards’ report](#) states that boards today are excelling across five key areas: mindset, mission, muscle, makeup and metrics. And it is metrics that help organisations focus on their commitment to diversity. Our research shows the most equal and diverse cultures experience 11 times the innovation mindset of the least equal and diverse. With transparent and quantifiable people metrics in place, businesses can thrive and create a workplace where individuals feel included and valued.

A case in point:

The French dairy product giant [Danone](#) set an ambition in 2017 to be one of the most inclusive and diverse companies in the world. Its roadmap “2020 Global Inclusive Diversity” is based on three pillars: promoting inclusive behaviours, being gender balanced and having culturally diverse teams. Each pillar has a quantifiable goal, such as having 50 percent of directors and 30 percent of executives from under-represented nationalities by 2020, or 42 percent female directors and 30 percent female executives by 2020.



Sweet spot practice	Resulting workforce behaviour
Enable continuous learning to ensure a future-ready workforce that can shift at scale.	Europe employees who experience this practice are more likely to recommend their employer (88%) compared to those who don't (40%).
Listen to what your people need at the front lines, empowering them with real-time data.	Europe employees who experience this practice are able to more effectively adapt to change (91%) compared to those who do not experience this practice (47%).
Use technology to enable flexible work arrangements and more creative work for your workforce that is increasingly dispersed	Europe employees who experience this practice are more likely to feel fulfilled in their work (84%) compared to those who do not experience this practice (34%).
Champion workforce well-being and equality: Safety and relational needs are more important than ever.	Europe employees who experience this practice put significantly more effort into their work (86%) compared to those who do not experience this practice (42%).
Set and share people metrics. Set accountability for diversity and equality, be transparent and engage in intentional conversations that matter to your people.	Europe employees who experience this practice have more positive experiences at their employer (67%) compared to those who do not experience this practice (30%).

The effects of Sweet Spot practices are well-documented in a further set of findings, brought to light by our research. European employers who enable continuous learning can, for example, rely on 88 percent of their employees recommending them to others (only 40 percent do this without such practices). And those who listen to what their frontline workers really need are rewarded by 91 percent of their employees adapting to change effectively. Similar high success rates are measured for the remainder of our Sweet Spot practices (Fig 12).

”
European employers who enable continuous learning can, for example, rely on 88 percent of their employees recommending them to others

Figure 12: The impact of sweet spot practices on the workforce

A new social contract: a crucial cornerstone for reinventing European companies

We argue that European business leaders should aim to make their people Net Better Off to rebuild the social contract that employers and employees traditionally enjoy in the workplace—a contract that has come under threat since the beginning of the coronavirus pandemic.

European employees—many currently operating as remote workers—have questions around their wellbeing in all areas of their lives—medically, socially and economically. To preserve their people’s loyalty, energy and enthusiasm, leaders must answer these questions and, by doing so, they can help safeguard the economic future of the company.

If leaders adopt the role of stewards for people development and remove internal boundaries that limit worker’s development and potential, those businesses—and the people within them—will be Net Better Off and positioned to turn a challenging time into one of growth and long-lasting positive change.



Contacts



Jean-Marc Ollagnier

CEO Europe



Tim Good

Managing Director,
Lead – Talent &
Organization / Human
Potential, Europe



Kelly Monahan

Global Lead Talent
Researcher



Charlotte Raut

Thought Leadership
Senior Principal,
Accenture Research



Melina Viglino

Thought Leadership
Senior Principal,
Accenture Research

Acknowledgements

The authors would like to thank Sybille Berjoan and Guillaume Simon, Ariadna Ramos Gomez, Sotirios Papoutsis for their work and contributions.

Sources & Notes

1. This figure is estimated from S&P Capital IQ consensus forecast (as of August 31, 2020) on a sample of more than 1000 of the largest global companies
2. Bold Moves in Tough Times - COVID 19 Puts Europe at a Competitiveness Crossroads, global survey of 478 C level executives
3. Accenture Research C-suite Functional Pulse Survey, n=700; data collected from June – July 2020
4. Accenture Research COVID-19 Workforce Pulse Survey, collected a total of 5 waves from April – July 2020
5. Accenture Research COVID-19 Workforce Pulse Survey, collected a total of 5 waves from April – July 2020
6. Accenture Research COVID-19 Workforce Pulse Survey, collected a total of 5 waves from April – July 2020
7. We ran a stepwise multiple regression analysis to determine what influences human potential at work. We found that within our sample (n=15,666) that 64 percent of potential is influenced by the six Net Better Off dimensions. We also found that 9 percent is influenced by individual differences such as tenure, education and industry. The other 27 percent is influenced by noncontrollable factors that were not accounted for in the model
8. Accenture Research COVID-19 Workforce Pulse Survey, collected a total of 5 waves from April – July 2020
9. Accenture Research COVID-19 Workforce Pulse Survey, collected a total of 5 waves from April – July 2020
10. World Health Organization. (2020, May 29) Facing mental health fallout from the coronavirus pandemic. Retrieved from: <https://www.who.int/news-room/feature-stories/detail/facing-mentalhealth-fallout-from-the-coronavirus-pandemic>
11. World Economic Forum. (2020, May 14). U.N. warns of global mental health crisis due to COVID-19 pandemic. Retrieved from: <https://www.weforum.org/agenda/2020/05/united-nations-global-mental-health-crisis-covid19-pandemic/>
12. This figure is estimated from S&P Capital IQ consensus forecast (as of August 31, 2020) on a sample of more than 1000 of the largest global companies
13. Accenture analysis. Using keywords from the net better-off definitions, we measured and compared the importance of each dimension in Europeans companies earning calls
14. ABN AMRO: <https://www.exleadersnetwork.com/wp-content/uploads/2019/12/EX-2020-Report-by-EX-Leaders-Network.pdf>.

About the care to do better research

The Accenture Research program was built on four proprietary research initiatives:

- A survey of 15,665 workers across skill levels and generations from a range of large and small companies: 30 percent were management workers.
- A survey of 3,200+ C-level executives: 50 percent were HR decision makers and 50 percent, other CXOs.
- Both surveys covered 10 countries (Australia, Brazil, Canada, France, Germany, Japan, Spain, Singapore, United Kingdom, United States) and 15 industries (Aerospace & Defense, Banking, Communications, Consumer Goods & Services, Energy (Oil and Gas), Freight and Logistics, Health, Insurance, Media, Public Sector, Retail, Technology (High Tech), Travel, U.S. Federal Government, Utilities). These were carried out between October and November 2019.
- A follow-up survey was conducted in the months of April – July 2020 with 5,400 global workers and 700 C-suite executives.
- 35 in-depth interviews involving CHROs, CEOs and academic experts, conducted by Accenture Research and third parties.
- Econometric modeling to determine the relationship between Net Better Off and companies' revenues.



Econometric modeling:

The Sweet Spot practices were derived using regression modeling to evaluate practices that significantly drove Net Better Off and organizational growth. Through four steps, we combined employees' and CXOs' survey insights with econometric modeling to estimate the effect of improved business practices on workers' Net Better Off scores and on company financial performance.

Step 1

Employees' Net Better Off Score

We used the worker survey to estimate the Net Better Off score against the models' six dimensions. We used regression analysis to determine the relationship between these dimensions and the current level of maturity of Sweet Spot practices; and to determine the relationship between Net Better Off scores and employees' rating of their employer as "a great place to work."

Step 2

Development of Sweet Spot Practices

We asked CXOs about the current level of maturity of Sweet Spot practices, using a scale of 1 to 7 to measure the extent to which they were implementing each.

Using the relationship between the maturity of these practices and employees' Net Better Off scores from step 1, we derived workers' Net Better Off scores given companies' capabilities.

Step 3

Net Better Off score effect on financial performance

We collected estimates on financial performance from various academic papers. For the impact on revenues, we used Green, Huang, Wen, and Zhou, 'Crowdsourced Employer Reviews and Stock Returns' (2018), Journal of Financial Economics, which captures the relationship between employees' reviews of companies as "great places to work" (based on Glassdoor) and revenue growth.

To estimate the financial impact of the Net Better Off score, we used an econometrically informed relationship between "great place to work" ratings and Net Better Off scores from step 1, and derived companies' Net Better Off scores from step 2.

For revenue growth estimates, we sourced S&P Capital IQ financial data of 2,476 global companies, respecting size, industry and country features of the CXO survey.

Step 4

Scenarios of improvements in Sweet Spot Practices

We then simulated scenarios of Sweet Spot improvements and potential uplifts in Net Better Off scores and financial performance. In the best scenario, practices were simulated to grow to maximum potential; in the moderate scenario, they grow to the middle point between the current and maximum levels. In the small uplift scenario, we simulated growth potential of capabilities by 10 percent. The small uplift scenario was chosen for this report and research.

About Accenture

Accenture is a global professional services company with leading capabilities in digital, cloud and security. Combining unmatched experience and specialized skills across more than 40 industries, we offer Strategy and Consulting, Interactive, Technology and Operations services—all powered by the world’s largest network of Advanced Technology and Intelligent Operations centers. Our 506,000 people deliver on the promise of technology and human ingenuity every day, serving clients in more than 120 countries. We embrace the power of change to create value and shared success for our clients, people, shareholders, partners and communities.

Visit us at www.accenture.com.

About Accenture Research

Accenture Research shapes trends and creates data driven insights about the most pressing issues global organisations face. Combining the power of innovative research techniques with a deep understanding of our clients’ industries, our team of 300 researchers and analysts spans 20 countries and publishes hundreds of reports, articles and points of view every year. Our thought-provoking research—supported by proprietary data and partnerships with leading organisations, such as MIT and Harvard—guides our innovations and allows us to transform theories and fresh ideas into real-world solutions for our clients.

For more information, visit www.accenture.com/research.

DISCLAIMER: This document is intended for general informational purposes only and does not take into account the reader’s specific circumstances, and may not reflect the most current developments. Accenture disclaims, to the fullest extent permitted by applicable law, any and all liability for the accuracy and completeness of the information in this presentation and for any acts or omissions made based on such information. Accenture does not provide legal, regulatory, audit, or tax advice. Readers are responsible for obtaining such advice from their own legal counsel or other licensed professionals. This article makes descriptive reference to trademarks that may be owned by others. The use of such trademarks herein is not an assertion of ownership of such trademarks by Accenture and is not intended to represent or imply the existence of an association between Accenture and the lawful owners of such trademarks.

Copyright © 2020 Accenture.
All rights reserved.

Accenture, its logo, and High Performance
Delivered are trademarks of Accenture.