



# Revealed: The Key to Staff Retention

Why do people stay in organisations? We conducted a statistical analysis that revealed the number one reason employees stay with their employers. In this report, we look at what forward-thinking companies can do to reduce turnover and improve employee loyalty.



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# 1. Key Findings of Our Staff Retention Study



Staff retention has long been a concern for business, and with record low unemployment rates becoming almost the norm and Brexit throwing up so many uncertainties, this concern has only heightened. Organisations of all sizes across public, private and not-for-profit sectors look at employee engagement, perks and benefits and, now, the full employee experience to attract, motivate and retain talented people.

In these competitive times, staff turnover is an expense a lot of companies can't afford to spare. We need to factor in recruitment fees as well as the cost of equipment, and the skills we are looking for may not be easy to find. And that's not to mention the productivity losses that result as a new employee gets to grips with their new role and learns the ropes. The average amount of time it takes for an employee to become productive is [28 weeks](#). According to one source, every time a company replaces a salaried employee, it costs [six to nine months' salary](#), on average. [The Telegraph](#) estimates replacing staff costs British businesses £4 billion each year.

At People Insight, we wanted to explore staff retention using our extensive employee survey database and answer the question, "what are the key reasons employees stay in organisations?" Armed with this data, we can focus on improving the key factors that make a difference to the employee experience, helping to retain quality performers who provide real value to our organisations.

To understand why employees stay at their companies, we conducted a statistical analysis of the data obtained from our extensive database of employee survey responses. Perhaps surprisingly, we found the number one reason employees say they are likely to stay at an organisation isn't related to money, perks or incentives.

## **The number one reason employees stay relates to company purpose.**

It's become clear employees are seeking fulfilment and meaning from their work. They want their work to provide value and their organisation to stand for something important.

This theory is backed up by a number of studies and sources. [Harvard Business Review](#) revealed 90% of employees are willing to earn less money to do more meaningful work and a [2016 Cone Communications study](#) showed 75% of millennials are willing to take a pay cut to work for a socially responsible company. Furthermore, [Mercer's Global Talent Trends Study](#) of over 7,600 business executives, HR leaders and employees found employees crave a sense of purpose. The study showed employees feel more professionally and personally fulfilled when their company has a strong sense of purpose.

Employees need a clear idea of what the company purpose is so that they can align with it. When articulated with passion and meaning, employees are more likely to get behind the company purpose.

In this report, our analytics experts draw on our wealth of employee experience data. We also incorporated insights and opinions from notable Managing Directors and CEOs. We explore the modern war for talent, creative staff retention methods some companies are employing and how companies can communicate (and get employees excited about) their purpose. We also analyse the results of our recent YouGov survey that explores who is currently motivated and aligned with their company's purpose.



## 2. Introduction



At People Insight, we conducted a statistical analysis of the data obtained from our extensive database of employee survey responses. We aimed to identify which factors correlate most strongly with an employee's intention to stay in an organisation. The results of this survey contributed to the evidence base that helps us determine what makes the most difference to staff retention. This evidence base also provides a rationale for where we should focus our efforts to help engage and retain our people.

The analysis we carried out revealed "intention to stay" strongly correlates with company purpose.

Are employees aware of your purpose? Do they feel aligned with it? Do they know how their efforts contribute to it? These are huge considerations and could make all the difference when it comes to your employee turnover rate and, ultimately, your bottom line.

Research surrounding company purpose is, of course, not new. In 2014, the [Harvard Business Review](#) (HBR) looked at company purpose and discussed how this concept takes business focus to a whole new level. Graham Kenny of HBR says

**"[Purpose] is what we're doing for someone else. And it's motivational because it connects with the heart as well as the head [...] it's the philosophical heartbeat."**

Graham Kenny  
HBR

The article concludes staff are inspired to perform above and beyond if an organisation shows the impact it has on the lives of customers, clients, or whoever it serves.

In 2016, the [Financial Times](#) published an article discussing how companies with a purpose beyond profit tend to make more money. Later that year, PwC released its [Putting Purpose to Work](#) study. This report discusses purpose-driven leadership and the inherent disconnect between how vital purpose claims to be and how central it is to business decisions. In 2018, [Forbes](#) went on to discuss how company purpose defines an organisation's value in society, with [Inc](#) pointing out how company purpose can increase returns by 400%.

Studies and research have focused primarily on the value of purpose regarding financial benefits and public perception. But with this report, we want to take a more employee-centric view of the matter. We explore how creating and aligning employees with a company purpose can make all the difference to employee experience and turnover.

We aim to discuss the importance of company purpose and how to create and communicate this purpose to incentivise, engage and motivate employees. To further inform our research, we called upon HR Directors and CEOs to get their insights and opinions and partnered with YouGov to conduct a survey revealing how aligned UK employees currently are with their company's purpose.



# 3. The Modern War for Talent

It is fair to say that across many sectors, companies are struggling to recruit and retain talent that will help them thrive and compete.

“The “**war for talent**” is not a new subject for many employers as the demand for skilled talent has been rising much faster than supply. With no end in sight, attracting and retaining employees is a major talent management concern.”

*Matt Weston  
Managing Director, Robert Half UK*

[Robert Half UK](#)

According to a [McKinsey Quarterly article](#), by 2020, around the globe, we'll have a shortage of 40 million university-educated employees. A ManpowerGroup survey also found 38% of employers are having difficulty filling jobs. In 2018, the CIPD discovered that in the UK, [three in five employers](#) with vacancies are finding them difficult to fill. 66% of these hard-to-fill roles were attributed to talent shortages. At the same time, UK unemployment is at its [lowest level since 1974](#).

## Finding Candidates with the Skills We Need for the Future

Sam Davies, CEO at [Real Links](#), says:

**Talent shortage today** is among the top concerns for companies worldwide, especially when you take into consideration that we don't have a solid understanding of what jobs of the future will entail. With an ever-increasing rate of AI adoption and the nature of work changing, companies are forced to investigate alternatives to traditional recruitment if they hope to gain access to great candidates. In addition, as the working world continues to become increasingly digital, positions become more and more complex and specified, creating difficulties in acquiring candidates with the necessary hard and soft skills.

Sam Davies  
CEO at Real Links

Not only is there a skills gap, but of course, employees with the best skills are in hot demand. Employees have high expectations for their role and company. Nine out of 10 admit they would leave their organisation if it failed to meet their expectations in [as short a time as a month](#).

Some argue when it comes to the war for talent, SMEs seem to be particularly affected. [4.7 million](#) say employees are thriving in a “buyer's market” and SMEs cannot increase remuneration levels to meet their expectations. Others suggest SMEs are [winning the war for talent](#), as they offer “nimble” career paths and opportunities to explore innovative projects, learn new skills and progress rapidly.

**The dynamics of the talent war are changing.** Where salary once was the key attraction, now it is a range of factors — the culture of the organisation, progression opportunities, working from home, the number of holidays and the total benefits package — this is what makes an employee want to work for you.

Valerie Moran  
FinTech Leader and Operations Manager at Prepaid Financial Services

[Prepaid Financial Services](#)

## Tech Giants Are Stealing the Best Talent

Others still suggest that [tech giants](#), such as Amazon, Google and Facebook, are attracting the best talent and winning the war due to their reputations and the vast resources at their disposal. According to Simon Houghton-Williams, CEO of [Adaptavist](#),



**“The war for talent is a real challenge for the tech community; the highly skilled people [who] we want in our business are in demand. They could pick from a wide range of employers. We’re a fast-growth company — doubling year on year currently — so recruitment and retention keep us awake at night.”**

*Simon Haighton-Williams  
CEO of Adaptivist*

## Managing Talent and Diversity

When it comes to the technology sector, the war for talent is further complicated by another issue — that of diversity, specifically around women and their scarcity in STEM-related fields. Carrie Wootten, Managing Director of [Rise](#), an advocacy group for women in the broadcast technology sector, says:

**“I work with BT Sport, Sky and BBC (and other smaller broadcast companies) looking at how we encourage diverse talent into the industry. Of course, they are fighting against the likes of Amazon, Facebook, EA Games, etc., [which] seem much more exciting than broadcast engineering roles. Universities, which have traditionally produced this talent, are struggling to recruit students into these courses. Addressing this problem could go some way to alleviating the war for talent.”**

*Carrie Wootten  
Managing Director of Rise, an advocacy group for women in the broadcast technology sector*

## Complex Factors Influence Retention

There are further complications when it comes to the war for talent, including Brexit, an ageing workforce, a multi-generational workforce and the impending industry 4.0. What's clear is hiring managers have a lot to consider when it comes to recruitment and staff retention. They aren't just thinking about salary but also opportunities for advancement, training and development, flexibility, company brand and, importantly, a purpose-driven career.

To compete, companies have to be creative when it comes to staff retention methods. Before we go on to explore the leading cause of employee turnover, we'll first look at some examples of these staff retention methods and the rationale behind them.



## 4. How Organisations Are Tackling Staff Retention

When you consider the war for talent, retention begins with recruitment.

**After all, 69% of employees are [more inclined to stay](#) with a company for three years if they experience effective onboarding.**

We need to remember the employee experience begins before the employee even starts at your company. Their perceptions of you, your values and your brand begin the moment they apply to your organisation.

Staff retention is often quoted as [HR's biggest issue](#). But what kind of [staff retention strategies](#) are companies putting in place to retain their employees? Are they lavishing employees with perks and increasing pay, or are they exploring the employee experience and what genuinely engages their intergenerational workforces? Below, we'll look at organisations that are making serious efforts to engage their people and keep them thriving within their organisations.

## Training, Development and Continual Self Improvement

Forbes has named training and development as the “[key to retention](#)”, while Payscale suggests development is even [more important to employees than pay](#). Our research reveals “my career aspirations are being met” as a key reason employees stay with a company ( see section 6.) [Gallup](#) has found Millennials want their jobs to be “development opportunities”. It's also revealed [58% of young employees](#) plan to leave their jobs this year to pursue careers offering more growth opportunities. Employees aren't just looking for money. “Reward” to them means learning techniques and skills that help them become more well rounded and proficient. And if you offer them what they want, they are more likely to use that knowledge and expertise to help further your organisational objectives.

Carrie Wootten, Managing Director at [Rise](#), works with broadcast companies to encourage diversity in the industry.

Carrie has found the best way to retain women in the broadcast technology sector is to support their professional aspirations with an award-winning mentoring programme. This programme is in place to help with their confidence, development and career progression.

Development is a staff retention method used by [Spector](#), a tech company that delivers IT support and reliable cybersecurity. Spector's Technical Director, Ger Whitehead, says:

**We differentiate ourselves by offering a structured learning path catered to the individual and a clear path to help them achieve success for their career.**

*Ger Whitehead  
Spector's Technical Director*

[Southampton FC](#) is another example of an institution that recognised and prioritised training and development to increase morale and employee experience. When Southampton FC rose from administration in League One to the Premier League, its management team launched “The Southampton Way”, a set of values to drive a similar development journey internally.

Southampton FC also increased its focus on individual progression to motivate staff to stay and develop. The newly launched “Staff Academy” gives access to a comprehensive skills, knowledge and behaviour training calendar, workshops for staff and managers and development programmes developed with the club's values in mind.



Southampton FC's results demonstrate the trust its employees have in their organisation's commitment to the programme:

- a 92% survey completion rate
- a score of 28% above the benchmark for "I feel that I have a career ahead of me at Southampton FC"
- a score of 27% above the benchmark for "I believe the training and support is available to help me develop my career at Southampton FC"
- an improvement in staff turnover from 16% to 9%.



Read more about [Southampton FC's programme](#) here.



## Being Open to (and Encouraging) Employee Ideas

Mastery, or having an element of control over one's work, is a key factor that drives employee engagement. It's not surprising people want a say in decisions that affect them or channels to express their opinions and ideas.

Developing a comprehensive listening strategy means considering all the ways that you can involve, listen and respond to your people. This means structuring and coordinating your programme of employee surveys, listening posts, focus groups, polls and live Q&As to capture ideas, feedback and sentiment.

Of course, companies that open themselves up to employee ideas also open themselves up to innovation and creativity. Danny Scott of CoinCorner explains:

**Innovation keeps the company exciting.** We take time to encourage people to come up with new ideas or introduce new pieces of technology to the business. We're always open to change and we make sure that every team member is given the chance to share their thoughts.

*Danny Scott  
CoinCorner*

At TSB, there's a clear listening model incorporating the ways that leaders glean actionable insight, enabling them to tweak their change programmes accordingly. There is a range of routine approaches for the whole organisation, alongside additional listening activities at key moments. Critically, each activity has a specific purpose and means TSB are listening to what people want to say — not just what TSB want to ask.

**As we navigate transformational cultural change, people who feel they have a voice are more likely to be ready to come with us.**

*Sarah McPake  
Employee Engagement Senior Manager, TSB*

[See TSB's listening strategy here.](#)

## Flexible Working

Flexibility is in demand and increasingly possible given the technology at our disposal. Flexible hours, compressed hours, job shares and remote working were just a few examples discussed at the recent [Flexpo](#) Conference.

Flexible working shows your employees you trust them to get work done their way. It helps them feel "mastery" over their situation, which corporate life can often inhibit. Flexible working allows companies to retain talent in situations that would ordinarily cause an employee to hand in their notice. For example, if a partner's job requires the couple to relocate.

With cloud working and a plethora of communications apps and integrations, it might be possible for this employee to keep their job and for the company to retain a high-performing employee by allowing them to work remotely.

For flexible working to be feasible, managers need to take a step back and trust their employees. Simon Haighton-Williams, CEO of [Adaptavist](#), says:

“We try to avoid gimmicks and instead **focus on honesty, trust and having an adult relationship with people**. In practice, this means [providing] a very flexible work environment that's personalised to suit each person and the team they work in. Our **outcome-focused management style** means that we concentrate on the end result and how we get there, rather than enforcing a prescribed number of hours in a day. We strive **to empower our employees to be creative in the way they approach their roles and their work**, [and] this means that **people want to stay with us**.”

Simon Haighton-Williams  
CEO of Adaptavist

## A Fun, Friendly, Open Environment That Promotes Team Bonding

Human beings are sociable creatures. The average Brit spends [eight hours a day at work](#) — that's a long time if you don't have any social connections in the workplace. We need opportunities to interact and connect with other people. As [Forbes](#) points out, employees with social connections at work tend to be more loyal workers.

According to Danny Scott, CEO & Founder of [CoinCorner](#):

According to Danny Scott, CEO & Founder of [CoinCorner](#):

“Our company culture is a very relaxed, Silicon Valley-esque environment, and **we encourage as much fun as possible, keeping the team active together with various activities**. We hold movie nights, game nights, sushi nights and often compete in charity events alongside our yearly company Go-Karting race.”

Danny Scott  
CEO & Founder of CoinCorner

So how do you ensure your employees remain productive while you're encouraging fun? The answer is simple — measure goal completion. What matters to your company and your bottom line is that employees are continually meeting and surpassing the standards you set. It's up to you and your goal-setting system to make sure you and your employees collaborate to create objectives that will add value and move the company along.

## A Focus on Mental Health

Recently, the reality of employee burnout has attracted a huge amount of press attention following an announcement that the World Health Organization (WHO) has confirmed [employee burnout as a legitimate diagnosis](#). The institution has officially described it as “a syndrome conceptualised as resulting from chronic workplace stress that has not been successfully managed.”

Organisations are more concerned about employee wellness and wellbeing than ever before — not only in terms of employee morale and engagement but also staff retention. After all, if an employee is overwhelmed and their health is suffering, they will no doubt begin searching for a company that offers a healthier work-life balance and has more realistic standards and objectives.

Marketing and communications company [Havas](#) demonstrated its commitment to employee wellness and improved employee experience by setting up its Wellness Lounge. The Lounge opened its doors in January 2019 as part of an ongoing Havas Equalise wellbeing programme. The technology-free lounge sits at the heart of the Havas building in London's Kings Cross. It is a dedicated home for wellbeing activity, providing a “mental health sanctuary” for its employees, enabling them to recharge during the day as needed. On top of this, Havas runs “Wellness Wednesdays” in the lounge, with guided meditations and mindfulness sessions running hourly.

Havas has noted employee retention benefits since opening the lounge, stating 96.4% of employees who have interacted with the Havas Equalise programme have remained with the company. Employee surveys also show that following the implementation of the programme, work-life balance has improved. When asked the question "I am able to manage a reasonable balance between work and my personal life", employees scored 27% more favourably following the implementation of the Havas Equalise programme (80%) than before implementation (53%).



## An Improved Benefits Package

Work these days isn't only about compensation — but let's not fool ourselves into thinking pay isn't important. We need to pay our employees fairly and competitively and consider the attractive perks that are becoming more and more common. This is something Phonographic Performance Limited ([PPL UK](#)), a licensing company and performance rights organisation, understands well.

After it was revealed only 43% of PPL employees thought company reward compared favourably to other industry employers, PPL overhauled its benefits package to better reflect the mix of demographics among employees. They offer annual expense claims towards music and social activities, additional holiday days and extended access to health and life assurance policies. Since introducing the programme, overall engagement improved by a significant seven points, with the belief that benefits are good at PPL compared to other employers up 18 points. Early results indicate the benefits programme is having a favourable impact on retention too, with a 20% reduction in voluntary leavers.

**Click here to learn more about how People Insight helped PPL [decrease voluntary turnover](#).**

The approaches outlined above are helping these organisations deal with their specific engagement and retention challenges. We'll next look at the key factor from our research that most affects peoples' desire to stay across a broad number of organisations.





# 5. Our Analysis Reveals the Number One Reason People Intend to Stay in Their Organisations

To get to the bottom of what compels employees to stay at their organisations, our experts conducted statistical analysis using our extensive database of employee survey responses.

One of the five indicators of employee engagement, according to the [PEARL™ model](#), is "I'd still like to be working here in two years' time". PEARL™ is based on extensive research by our team of organisation psychologists and data scientists. Five factors influence employee engagement:

**Purpose** — The reason the organisation exists

**Enablement** — Conditions that enable us to do our job well

**Autonomy** — How much we can influence our work and health circumstances

**Reward** — How fulfilled, valued and rewarded we feel

**Leadership** — How much leaders listen, support and enable positive change

The objective of the research was to understand which aspects of the employee experience have the greatest influence on intention to stay based on the statement "I'd still like to be working here in two years' time".

We conducted a multiple linear regression analysis of our employee survey database, selecting complete datasets with identical questions to ensure we were comparing like for like. We used more than 4,000 responses and 130,000 data points. We looked at which of the 30 engagement factors from the core PEARL™ model had the greatest effect on "I'd still like to be working here in two years' time".

The resulting model was statistically significant and we found several positive correlations, meaning the more people answered "agree" to these questions, the more they would still like to be working for their organisation in two years' time.



## 6. Purpose — Why Employees Stay

The results of our statistical analysis revealed a key ingredient to staff retention — why employees choose to remain with a company instead of leaving for a competitor.

Our analysis looked at the correlation between “I’d still like to be working here in two years’ time” and of the 30 engagement drivers in the PEARL™ model, including recognition, training, line management, wellbeing, resources and communication. Interestingly (and perhaps surprisingly), we found the driver most strongly related to intention to stay related to purpose. This shows how positive an impact purpose has.

*“The purpose of my organisation makes me feel good about my work” was the most strongly correlated with “I’d still like to be working here in two years’ time.”*  
 *$p < .001$ , Standardized  $\beta = 0.16$ , Pearson's  $r = 0.51$*

### Other Drivers of Intention to Stay

Of course, a number of factors likely work together to encourage loyalty. Our analysis also showed a second and third important driver of intention to stay:

- I find my work interesting and challenging  $p < 0.001$ , Standardized  $\beta = 0.172$ , Pearson's  $r = 0.49$
- My career aspirations are being met here  $p < 0.017$  Standardized  $\beta = 0.09$ , Pearson's  $r = 0.48$

Today, employees are looking for varied, interesting and challenging work. They want their work to present opportunities for growth and development and this can only happen when they are challenged. We can see the importance of a challenge at work by the fact that a [Korn Ferry survey](#) found a “stagnant work environment” to be the number one reason employees looked for work elsewhere. Similarly, it's been found [61% of engaged employees feel "challenged" or "very challenged" at work](#).

Support for career aspirations is another huge driver of employees staying at companies. This should hardly come as a surprise and many companies these days [put employee professional development at the heart of company policy](#). As [Inc](#) points out, "nothing is worse than a dead-end job". Employees want to work towards something as research from [Udemy](#) points out that development aspirations and opportunities are the most important career consideration for 42% of Millennials. Furthermore, an [IBM](#) study showed that when employees don't have the chance to achieve career goals, they are 12 times more likely to leave.

However, in this report, we focus on what our research found to be the number one driver of intention to stay — company purpose.

## What Is Company Purpose?

At People Insight, we define purpose as the positive and worthwhile reason the organisation exists. It's what the organisation stands for and where it is going. A purpose that inspires and aligns with your employees' values creates emotional bonds that are arguably much more effective and long-lasting than extrinsic motivators.

As [Harvard Business Review](#) points out, a company's purpose is more than financial gain:

**A higher purpose is not about economic exchanges.** It reflects something more aspirational. **It explains how the people involved with an organisation are making a difference, gives them a sense of meaning, and draws their support.**

*Harvard Business Review*



A purpose gives a company a solid foundation and helps employees understand what values are important and guides both strategic and everyday decisions. As Valerie Moran, Head of Client Relations and Operations at [Prepaid Financial Services](#), says:

“In order to be a real player, at the front of the “pack,” the company purpose is hugely important. We must be aligned and share the same goals and ambitions.”

*Valerie Moran*

*Head of Client Relations and Operations at Prepaid Financial Services*

## Why Is Company Purpose Important?

Our research confirms purpose is a key ingredient in staff retention. We're not the first to note the importance of company purpose and its role regarding employee engagement, performance and productivity.

According to [Gallup research](#), companies that operate with a clear purpose have a competitive advantage. When employees align with their company's purpose and identity, they perform higher on key business performance metrics. Gallup explains companies with aspirational objectives and cultures can result in highly engaged customers.

Another study, carried out by [Korn Ferry](#), suggests 90% of employees who work for purpose-driven companies report feeling engaged in their work. When companies don't focus on purpose — or their purpose isn't clearly defined and communicated — an average of just 32% of employees feel engaged and connected to the company and the work they are doing.

Tierra Kavanaugh Wayne, CEO at [TKT & Associates](#), says:

“A Company's clearly articulated purpose is critical to the retention of its employees. Companies can vocalise their purpose and values via multiple mediums, internally and externally. However, the most important thing a company can do is **to engage and interact with employees, stakeholders and the community at large**. When this is done, employees become ambassadors and embody the company's purpose.”

*Tierra Kavanaugh Wayne*  
*CEO at TKT & Associates*



Tierra's comments highlight the need for employees to be part of something larger than themselves. They're seeking meaning and purpose — and they want a company with a goal they can align themselves with and feel passionate about.

## Is Company Purpose More Important Today Than Ever Before?

The way we manage our workforce changes with each generation — and for good reasons. We need to know what motivates and inspires each generation so we can create an environment and a culture conducive to great performance.

A traditional view is that Baby Boomers are [motivated by money](#). While [Generation X](#) is also motivated heavily by compensation, they also value knowledge sharing and autonomy. For Millennials, who are starting to [dominate the workforce](#), purpose plays a huge role.

According to the [London Business School](#) (LBS), Millennials want to work for purpose-driven companies and are seeking organisations whose values align with their own. This assertion is supported by PwC research from its [Workplace of the Future](#) survey. This generation isn't motivated to work for purely profit-driven companies. They are [looking for more](#) than “a place of work”. They want to feel good about the company they work for and what it stands for.

So we know purpose is important and that it could make all the difference between an employee staying or leaving. But how can companies get employees excited about their purpose? This is something we'll cover after first exploring the results of our YouGov survey that sought to explore how aligned or motivated employees are by their company's purpose.

# 7. How Meaningful Do Modern Employees Believe Their Company's Purpose to Be?

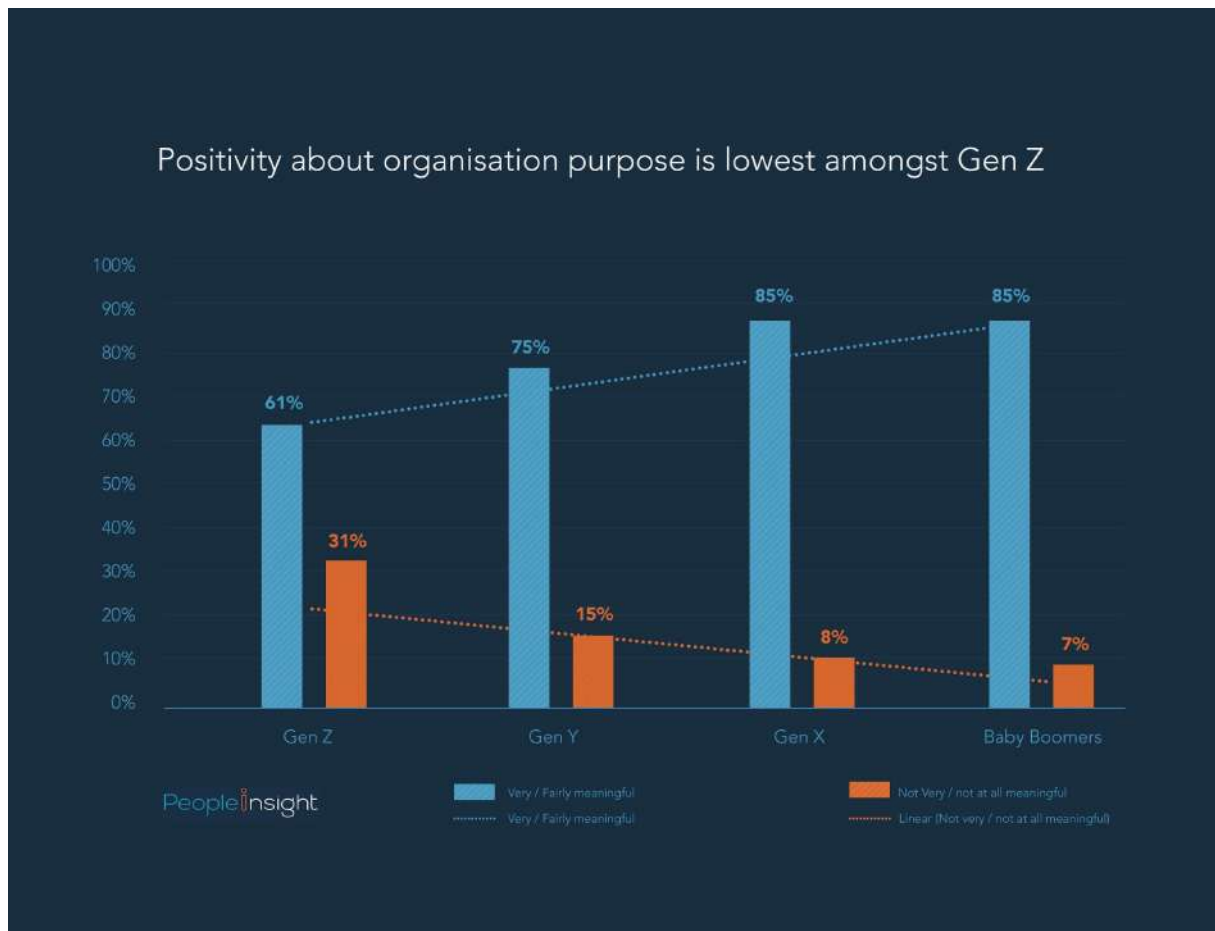
Our YouGov poll was conducted to explore how people feel about their organisation's purpose — considering the impact company purpose may have on retention among different groups of employees.

Our survey asked, "How meaningful, if at all, would you say your company's purpose is?"



We had a sample size of 1,187 employees. We stipulated the definition of "company's purpose" to be the overall reason your company exists (i.e. what it does) and what it aims to achieve. We also explained that by "meaningful", we mean the purpose itself is important and worthwhile and that it makes a positive difference to others.

## The Poll Results Reveal Younger Generations Are Least Positive about Their Organisation's Purpose



The younger the respondents were, the less meaningful they found their company's purpose to be. This was true with each generation, with no fluctuations. The generation least engaged with their company's purpose were those aged 18-24 (or Generation Z). Only 34% of Generation Z found their company's purpose to be "very meaningful". 27% found it to be "fairly meaningful".

So why do we see this pattern? Why do younger employees appear to be harder to align with company purpose? Is this because Generation Z and Millennials have higher expectations? Is it because they are generally more dissatisfied at work? Are their standards unrealistically high? Or have CEOs failed to engage and appeal to these generations?

It's important to note that at the end of the day, we're all human. Generation Z is not a different species. But the climate we grew up in — cultural, financial, political — plays a part in shaping us, which accounts for differences in how we see the world, how we interact with people and what we look for in a career.

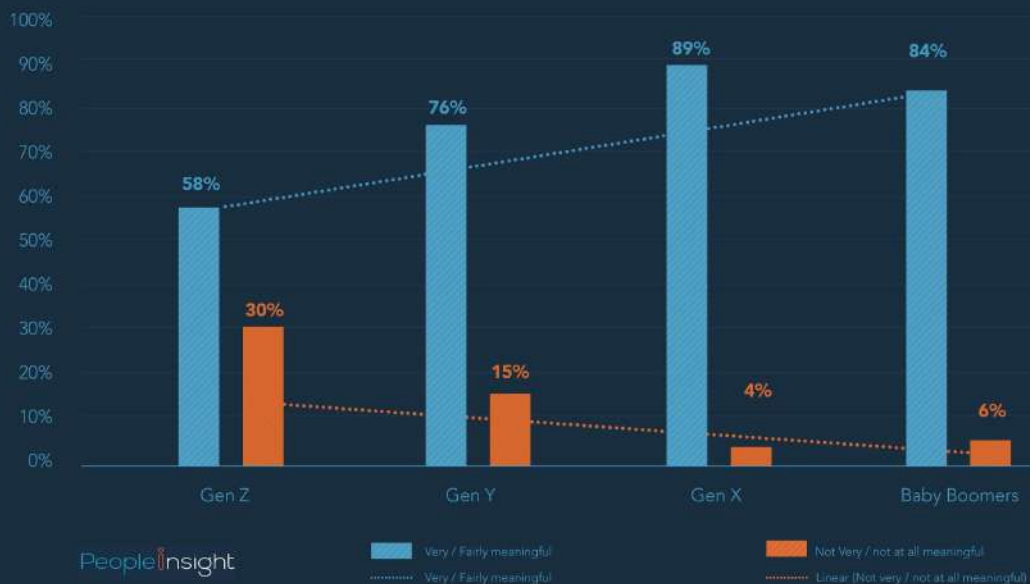
For example, Baby Boomers are more likely to cite family and religion as [central to their identity](#). For Generation Z, personal success and career aspirations are more core to their identity. It isn't about work-life balance — it's about [work-life integration](#). This generation doesn't want a harsh barrier between home life and work life. They want to check social media during office hours, but they will also take work home with them — [checking work emails at night or even during holidays](#). But there's a catch — Generation Z will only be this enthusiastic about their work if they buy into the company purpose. They want their work to mean something and to count — they don't want to invest their passion and energy for no return. This is something CEOs need to understand.

## Generation Z Men and Women





## Female positivity about organisation purpose over the generations



Looking at gender, Generation Z women are even less positive about purpose than Generation Z men. This aligns with other research that suggests [women are more likely to job hop than men](#). It is particularly true of younger women — generally those who have just graduated from university. And according to a [Center for Creative Leadership](#) white paper, employees are actively seeking companies offering meaningful work that connects to their values and purpose. It could be that when it comes to retaining talented young female employees, the communication of a well-established company purpose (along with methods to align employees to this purpose) is the secret ingredient we're all looking for.

## Why Are Younger Women Less Aligned with Company Purpose Than Baby Boomer Women?

Baby Boomers have been working for a long time and it's possible they have had the time to find a career — and a company — they are passionate about. Perhaps they have started their own companies or climbed the career ladder to such an extent that

they can bring about meaningful change at their organisation. On the other hand, Generation Z females are just at the start of their careers. They might not yet be on a career path that is meaningful to them, or they might be working at companies that don't necessarily align with their values until they can find something more fitting. This makes sense. But to retain young, promising female employees, it would be a wise move for companies to place a big emphasis on their organisation's unique purpose — particularly in STEM careers where they are struggling to recruit entry-level women into the industry.





# 8. How Can Companies Communicate (and Get Employees Excited about) Their Purpose?

We now know company purpose plays a crucial role in whether an employee decides to remain with a company. So how can companies create and communicate their company purpose while getting employees excited about aligning with and fulfilling it?

## Decide What Your Purpose Is

As [Simon Sinek states](#), every organisation on earth knows what they do. They know what makes them stand out and what makes them special. But very few can clearly articulate why they do what they do.

In a [video](#) that perhaps we've all watched, Sinek recommends finding your “why” by reflecting on when you felt everything was going perfectly and, importantly, you loved what you were doing. You should also consider how your company was performing — even if it wasn't at its financial best. You'll notice there is a common thread uniting all of those best moments. When you know your “why”, you can begin to act prescriptively — and this will shape your company purpose.

To create a simple, thorough and meaningful company purpose, begin by answering the following questions:

- Why do we do what we do?
- What do we want to achieve?
- Why are we good at what we do?
- What is the benefit of what we do for others, now and in the future?
- What has helped us get to where we are today?
- What have been our proudest accomplishments?

It's worth discussing these questions not only with management and C-suite but also with your employees. It's a brilliant way of involving your people, and their insights and opinions will help you gain a better understanding of where your company currently is. You'll also discover whether your employees are generally in agreement about your company's purpose and values or if there is a significant misalignment.

## Our Favourite Company Purpose Statements

So what does a good purpose look like?

At People Insight, we have chosen "To make the world a more engaging place to work, one organisation at a time".

Here are some of our favourites — clear, succinct and inspirational:

[Google Deepmind](#) — Solve Intelligence. Use it to make the world a better place.

[Innocent](#) — Make it easy for people to do themselves some good.

[Facebook](#) — Bring the world closer together.

[IKEA](#) - Make everyday life better.

[GlaxoSmithKline](#) — Help people do more, feel better, live longer.

[TED Talks](#) — Spread ideas.

[StepChange Debt Charity](#) — Create a society free from problem debt.

[Aldermore Bank](#) — Backing people to fulfil life's hopes and dreams.

[Lloyds Banking Group](#) — Help Britain Prosper.

[Walt Disney Company](#) — Make people happy.

[Tesla](#) — Accelerate sustainable energy and autonomy.



## Communicating Purpose Starts with Authentic Leadership

When you have your company purpose developed and clearly articulated, you need to communicate it to your workforce. This communication begins with leadership. Your company leaders need to get behind it and use it to drive their choices, behaviours and words. Employees aren't going to care or align with the company purpose if they know senior leadership are apathetic towards it, as [Harvard Business Review](#) points out:

“When a company announces its purpose and values, but the words don't govern the behaviour of senior leadership, they ring hollow. Everyone recognises the hypocrisy, and employees become more cynical. The process does harm.”

*Harvard Business Review*

## Give Your Employees a Story

As Time Magazine says, [telling stories makes us human](#). When we tell stories, messages are delivered and remembered in a much more meaningful way than is possible when using figures or numbers. To communicate your company purpose, you can use the power of storytelling to help employees understand the relevance of it. Use real-life examples — these will help employees feel a genuine connection to your company and its mission.

For example, you can check out Innocent Smoothies story [here](#) — how the company began and the inspiration behind it.

You can also learn more about Tesla's purpose and motivation [here](#) — hearing Elon Musk discussing his story highlights his passion for the company and why he has put so much time and effort into Tesla.

## Regularly Discuss the Purpose, Including Progress and Roadblocks

Company purpose isn't something you decide upon, check off your to-do list and forget about. It's something that needs to be regularly and openly discussed. During company meetings, Town Halls and updates, frame the news with the company purpose and relevant progress. You should also be transparent about roadblocks or setbacks. Such open communication will keep the company purpose alive in the minds of your employees. It will also help them to follow it.

## Get Employees Involved

Our employees must, of course, be actively involved. Ask your employees to come up with innovative and creative ideas on how to support the company's purpose. Gerry Anderson, president of [DTE Energy](#), discovered when he began actively [communicating his organisation's company purpose](#) through team meetings and company forums. Employees at all levels were asked questions and encouraged to share ideas on how to fulfil it.

## Give Your Employees Autonomy

Your company purpose is something employees need to feel passionate about themselves — you can't force them to identify or align with it and you can't micromanage them to get excited about furthering it. What you *can* do is take a step back and give your employees a degree of autonomy. This way, they can become engaged and figure out how they can work and what they can do (using their particular skills and strengths) to support the company purpose.

Autonomy is not only important in terms of company purpose, but it's also a key ingredient of [employee engagement](#), [morale](#) and [productivity](#). When you give your employees space to work their way, they'll be free to come up with creative and inspirational ways to support the company purpose and be more inclined to do so.

## Weave Purpose into Recruitment, Onboarding and Training

As [Harvard Business Review](#) points out, purpose needs to influence strategy, decision-making and behaviours for both employees and executives.

Your company purpose should be considered at every stage of the employee lifecycle and factored into every decision you make in your organisation. It should certainly play a part in your recruitment, onboarding and training. The purpose should be at the core of all your communications. Consider when you recruit an employee, will they share your company's values or feel inspired by your company's purpose? Be sure to make your company's goals shine through and are articulated as soon as possible in the employee journey. When you are onboarding employees, keep reinforcing company purpose and allow purpose to guide ongoing training.

Matt Weston, Managing Director of [Robert Half UK](#), says:

“During the recruitment process, there are several opportunities to communicate the purpose of the company to potential new hires —during the interview, in the job description and soft-skills you are looking for. However, this framing of the purpose must continue through the onboarding process or beyond.”

Matt Weston  
Managing Director of Robert Half UK

## Make Employees Shareholders

If you want your employees to buy into your company's purpose — why not let them literally buy-in? Employees make our organisations what they are. They deserve to have a say in how the company functions. Creating share incentive schemes can be an effective way to develop a sense of excitement and motivation towards and ownership of the company purpose. This is something Danny Scott, CEO & Founder of [CoinCorner](#), points out:

“There are many ways that **a company can engage employees and get them excited about the company purpose**. One route that we've taken has been to create a **Share Incentive Scheme** for all of our employees — this gives every single employee access to the business as shareholders. We believe that the team is what makes the company, so why shouldn't they benefit in the same way that the founders do?”

Danny Scott  
CEO & Founder of CoinCorner

## Establish Clarity and Transparency as a Company Value

Employees need and deserve context when it comes to what they do. During one-to-ones between managers and employees, the company purpose should be regularly discussed, along with how the employee's efforts are directly contributing to furthering it. Managers should be clear and transparent about what the company is trying to achieve and deliver — and by whom.

Simon Haighton-Williams, CEO of [Adaptavist](#), says:

“Clarity in what you're doing and what you're achieving is crucial. How you're delivering against that purpose really is as important as the purpose itself. If we set out to achieve something, **it's important that everyone knows that their efforts are helping in that achievement**.”

Simon Haighton-Williams  
CEO of Adaptavist

The techniques you choose to communicate your purpose and get employees engaged with it will, of course, be individual to your organisation. As Valerie Moran, Head of Client Relations and Operations at [Prepaid Financial Services](#), says:

“There is no one method **[to communicate purpose]** — it is a combination of the formal, informal, the culture, how we manage, how we work together; it is almost like a jigsaw puzzle — when the pieces fit, **you become unstoppable**.”

Valerie Moran  
Head of Client Relations and Operations at Prepaid Financial Services

A man in a suit is shown in profile, looking upwards and to the right, with his hand resting on his chin in a thoughtful pose. On his head, there are several gears of different sizes and colors (yellow and white), symbolizing thought and ideas.

## 9. Conclusion

This report has looked at staff retention from the perspective of company purpose. Company purpose plays a significant role in engaging and motivating employees. Modern workers just beginning their careers are seeking more than just money. They want meaning and value — they're looking for a reason to pick you over a competitor. In this modern climate, where talented employees can take their pick and have the luxury of being selective, companies need to up their game. They need to be stronger, have a firmer sense of self and get their employees excited about working for them.

### Understand Your Employees' Perceptions of Your Purpose

What really matters is your employees' perception of your company purpose. Are they aware of it? Is it reflected in the behaviours and words of senior leaders and line managers? Is it inspiring for them and are they motivated by it? These are all important questions companies need to ask their employees. Once you have a firm understanding of how your employees view and understand your company purpose, you can make changes that will have a sincere impact on employee morale, engagement and retention.

People Insight's [employee survey programmes](#) can help you understand how engaged your employees are and — among other aspects of the employee experience — how they feel about your purpose. Our analytics can also provide insight into the key drivers in your particular organisation, which influence employees' "intention to stay".



Surveying with us gives your employees a voice throughout the employee lifecycle from candidacy through to exit. Armed with this information, you can take specific action. Our expert consultants can advise on how to improve employees' likelihood of staying in the organisation. We'll help you identify touchpoints and focus on moments of truth for an impactful employee experience.

Before long, you'll be on the road to creating a company culture — and company purpose — your employees won't want to leave.

## We'd love to talk

To find out how we can help develop and assess your employee retention processes, contact us at:

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