



REVITALIZING ATLANTIC CANADIAN BUSINESSES:

THE PATH TO GROWTH
THROUGH EMPLOYEE EXPERIENCE AND
DIGITAL TRANSFORMATION

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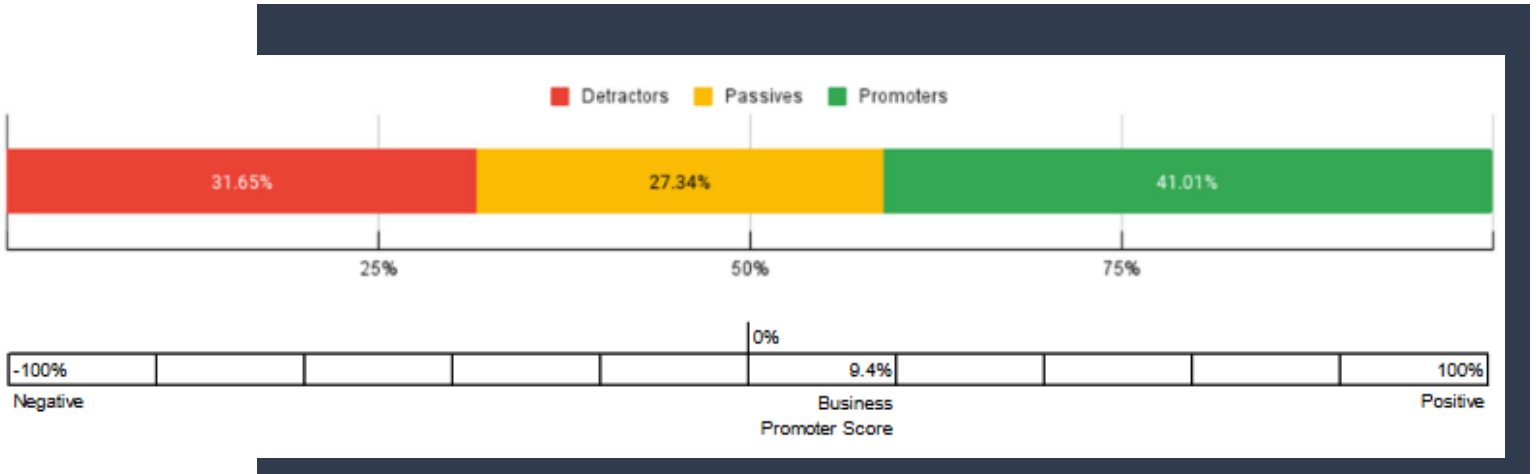
Employee Experience: The Cornerstone of Revitalizing Atlantic Canadian Businesses

SITUATION:

In Atlantic Canada, businesses face significant challenges in digital readiness, succession planning, and overall strategic vitality. Underlying the headwinds to growth is the belief that there is a shortage of skilled workers which detracts from the capacity of businesses to invest in future growth.

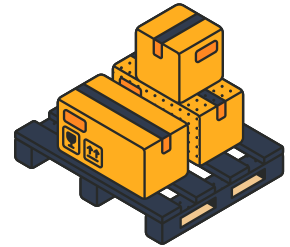
The most critical obstacle to regional business growth is ***perspective***. Leaders in Atlantic Canadian face a unique challenge, as evidenced by their region's net business promoter score—a meager 9.4% on average (of a potential score of 100), with rural areas dipping to an alarming -15% or worse. This score reveals a startling truth: over 31% of business leaders actively discourage others from establishing businesses in the region. To move beyond mere survival, a significant shift in strategy is paramount.





Delving into the perspectives, for those most positive in promoting the region’s business environment, there were three factors that were most highly correlated. Leaders with companies thriving in the region focused on these aspects of their business:

They monitored customer trends and bundled or repackaged their offerings to meet shifting needs



They used technology effectively



They explored new markets to build revenues



The companies that have confidence in the future are innovative, forward-looking and making sense of the elements around them.



ALTERNATIVELY...

The common elements to the detractors were the following three aspects of their business environment:

- They were not accountable for their work, the progress toward their goals
- They did not seek partnerships and/or investments with other organizations to develop new revenue streams.
- They did not encourage learning and development for their people

Companies challenged to see the opportunity and potential around them **were focused on the short-term, caught in busyness, and isolating themselves from learning and developing skills internally and externally.**

How do leaders gain confidence for the future, taking the most impactful steps for their businesses to flourish?



The wear and tear of ongoing challenges has left its mark on the fabric of business. Stagnant employee engagement, with a meager 20% of workers fully committed to their roles, has resulted in skyrocketing turnover rates (56% of workers are considering leaving their roles in the next two years). Meanwhile, a paltry 22% of companies are investing in the innovations necessary to keep up with technological advancements (the assessment of digital and data readiness fell at 56.4%, with more than 70% of leaders not feeling their companies and workforces are prepared to integrate technologies greatly hurting competitiveness). And despite concerted efforts to implement change, success rates have plummeted to an all-time low of 22%.

So, what is holding businesses back? The culprit lies within the very culture of the organizations. Often dismissed as a "soft" aspect of business, workplace culture casts a looming shadow over the bottom line. A staggering 67% of change initiatives hit the brakes due to workforce resistance, while an additional 15% flounder because employees cannot connect the dots between the proposed changes and the value they bring.

With every business undergoing constant transformation, it is time for leaders to adopt a new approach. We advocate for an inside-out prioritization, one that tests assumptions, rethinks positions, and uncovers opportunities for growth. Great companies are built on a foundation of understanding the factors that drive success and fostering alignment across all levels of the organization.

In a world where progress seems to be stuck in neutral, it is crucial for business leaders to shift their focus inward. By creating a shared vision of success, they can ultimately cultivate the buy-in and support necessary to thrive in an ever-changing market.

Prioritization is essential for leaders.



In this dynamic environment, business leaders must zero in on three main areas: enhancing revenue quality, embracing digital technology, and fostering a robust employee value proposition.



Rethinking Revenue



Instead of fixating on the top line, leaders must scrutinize key revenue ratios and other factors that determine the true worth of a company's income. A focus on high-quality revenue promotes resilience, higher valuations, and increased value for all stakeholders.

Harnessing Digital Potential



To stay ahead of the curve, businesses must invest in digital technologies, leverage data, and employ artificial intelligence. Aligning these efforts with the overall business strategy, leaders can unlock operational efficiencies and new revenue streams.

Empowering employees



Crafting a strong employee value proposition is essential for building a workforce that possesses the skills, dedication, and collective drive to excel. By understanding the employee experience, leaders can offer a high-quality work environment that attracts, develops, and retains great people.



Just as companies can falter from the inside, they can also renew and flourish with a focus on their internal strengths.

Strong companies that adapt and grow through proactive change resolve these pressing problems, and others, from the inside out – they access data on people, knowing the working environment holds the solutions. Employee experience explains the capacity and capability of businesses to perform. Focusing on employee experience can serve as the catalyst for driving improvements across these challenges, enabling companies to thrive and remain competitive in the evolving market

Business leaders cite the shortage of skilled workers and difficulties with retention in blocking their potential for growth. Measuring and mapping employee experience provides data that is objective and constructive, providing a unique, and overlooked, approach to winning strategies to attract, develop, and retain skilled people removing the obstacle.

Investing in employee experiences has a ripple effect, empowering businesses to tackle their challenges in digital readiness and innovation. As companies understand their workforce, they will become more open to embracing new technologies, developing market-facing digital strategies, and fostering a culture of innovation. This can lead to increased access to capital, increased capabilities, and new revenue streams.

Succession planning is a pressing concern in Atlantic Canada, with many businesses unprepared for leadership transitions. A focus on employee experience can help address this issue by cultivating a strong talent pool and fostering a culture of professional growth. In turn, businesses can ensure they have the right people to lead them through succession and maintain continuity.

Partnering with other businesses can also provide opportunities for growth and innovation. By prioritizing employee experience, Atlantic Canadian companies can create collaborative networks where different business cultures can align to work effectively together developing new revenue streams and expanded market reach.

In conclusion, focusing on employee experience is the key to overcoming the challenges faced by Atlantic Canadian businesses to strengthen their confidence in the future and positioning their companies to be competitive. By prioritizing quality of work and well-being, companies can drive improvements in digital readiness, revenue vitality, and overall strategic energy. It is crucial for leaders to take actions understanding how best to invest in their employees, fostering a brighter future for businesses and communities across the region.





The problem statement:

There is a significant misalignment between the perceptions of leaders and employees in Atlantic Canadian companies regarding the work environment, employee experience, and growth challenges. This disconnect hinders organizations' ability to adapt, innovate, and grow, while also impacting employee well-being and productivity, creating the critical challenge of leaders not being confident to position their companies competitively for the future.

The key insight for leaders is that to drive growth and adapt to the changing business landscape, they must embrace a new approach to leadership that prioritizes inclusivity, genuinely considers employee perspectives, and focuses on enhancing the employee experience. By bridging the perception gap between leaders and employees and fostering a culture of alignment, accountability, and continuous learning, leaders can unlock the potential for increased capacity, resilience, and innovation in their organizations to continue competitive growth.

The one factor that will have the most positive impact for leaders is fostering a strong and coherent employee value proposition founded in data and interpretive analytics for informed and objective decision-making. By creating an inclusive environment where employees feel heard, valued, and motivated by a clear organizational vision, leaders can drive higher levels of engagement, productivity, and performance. This approach will enable organizations to adapt to changes effectively, support growth, and achieve lasting success.

The New Leadership

VALUE

Proposition





The competitive power of businesses resides within their companies...

..with the employees from the frontline to professionals to managers and to executives. With a strategically aligned workforce, leaders can achieve shared success in the transformations needed to strengthen Atlantic Canadian companies. From the inside out lie the answers to the critical problems restraining the resilience and growth of businesses, to scale more diversified and quality revenues, implement a cohesive digital and data competency, and resolve the shortage of skilled workers.

A new model of leadership is needed. One that is both empathetic, showing genuine concern for the quality of work for people, and forward looking, seeing the opportunities ahead. Most essential, leadership needs to make sense of what is happening around their employees. The world is a whirl of changing situations and without clarity of purpose, vision, and strategy, consistently and clearly communicated, employees worry about their futures – moving to other employers or falling prey to the increasing mental health challenge in the working environment.

For leaders who want to build meaningful futures for the employees, customers, and businesses, they need to focus on how best to bring people together to achieve outcomes that matter, with clarity, confidence, and commitment.

Through purposeful decisions, made from data that provides the context and highlights the patterns, leaders can take agency for needed change that expands the potential for all, setting deliberate and thoughtful direction that simplifies the complexities, silences the noise, and connects the moving parts.

By taking a learning approach, leaders test assumptions, rethink positions, and uncover opportunities to resolve their pressing problems and capture their greatest opportunities, understanding how people interact and work together at their best.

The war for talent has not been lost, it has shifted to a different style of play.

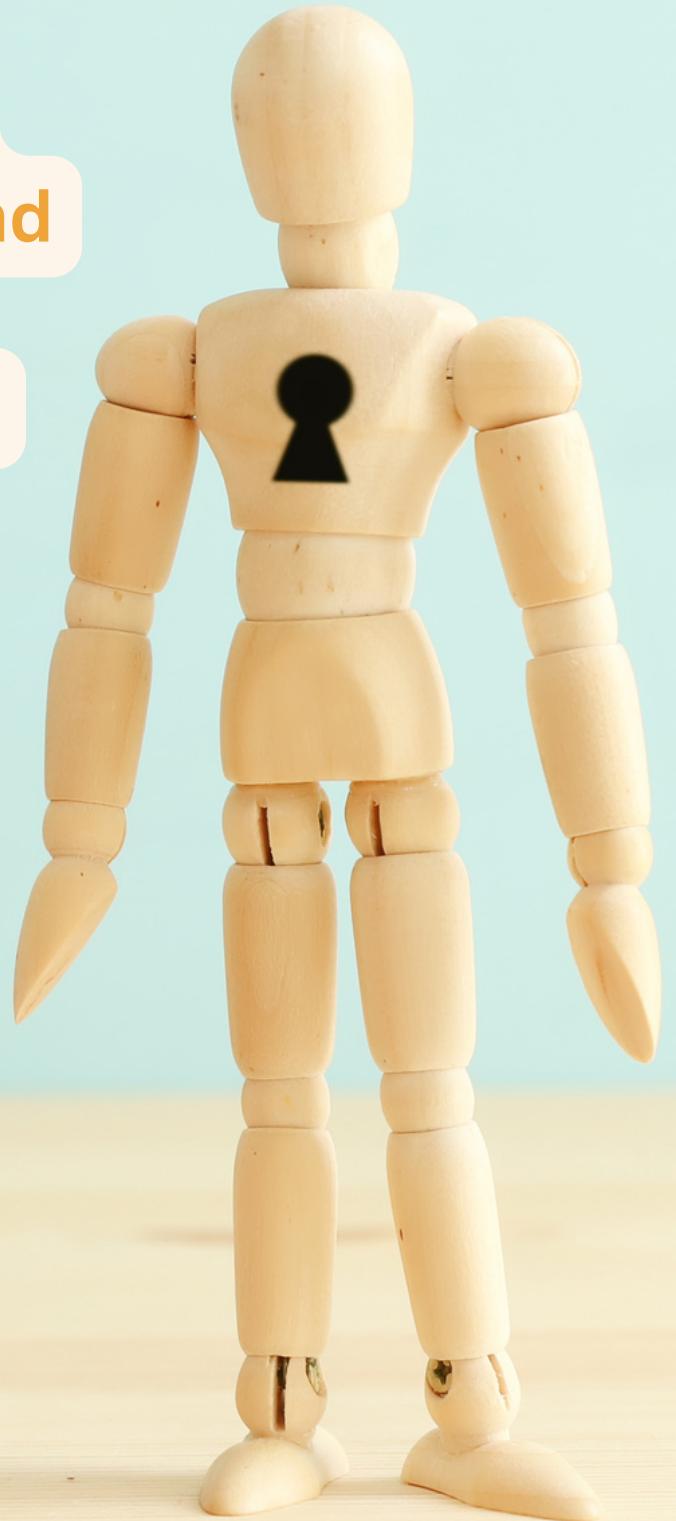
Atlantic Canadian leaders name shortage of skilled workers as the greatest challenge to growing their businesses. The catalyst to removing this challenge lies within the perspectives of people within the companies.

Leaders will grow their businesses by refocusing on the inside out, measuring the employee experience and gaining insights to innovate solutions to move their companies to the next level of success.



Section One

**Unlocking Growth
Potential in Atlantic
Canada: Embracing
Inclusive Leadership and
Elevating the
Employee Experience**





We highlight below the challenges faced by businesses in the region, including stagnant employee engagement, low innovation investment, and resistance to change. To overcome these challenges, leaders must focus on three main areas: enhancing revenue quality, embracing digital technology, and fostering a robust employee value proposition.

Atlantic Canadian businesses also face unique regional challenges, including a low net promoter score and high employee turnover risks. By focusing on internal strengths, leaders can create a vibrant, dynamic employee experience that benefits their organizations and communities.

To drive growth and success, leaders must address the disconnect between their own perceptions and those of their employees. They need to create an inclusive environment, foster a culture of accountability, and focus on skill development. The article recommends four essential components to drive alignment: clear purpose and vision, an inclusive environment, opportunities for learning and growth, and support for managers and supervisors.

By prioritizing the employee experience and adapting to the evolving work environment, leaders in Atlantic Canada can unlock the potential to triple their success and create a resilient, innovative, and vibrant business landscape.

Background

In the fast-paced, ever-evolving landscape of Atlantic Canada's business sector, what matters most to leaders. With a relentless whirlwind of uncertainty and change, organizations are striving to navigate the shifting tides and create meaningful futures. As the old adage goes, traditional tactics may have gotten businesses this far, but they will not propel them into the competitive vanguard.

The wear and tear of ongoing challenges has left its mark on the fabric of business. Stagnant employee engagement, with a meager 20% of workers fully committed to their roles, has resulted in skyrocketing turnover rates. Meanwhile, a paltry 22% of companies are actually investing in the innovations necessary to keep up with technological advancements.

So, what is holding businesses back?



The culprit lies within the very culture of the organizations. Often dismissed as a "soft" aspect of business, workplace culture casts a looming shadow over the bottom line. About 82% of change initiatives hit the brakes due to a combination of employees seemingly not open to shifting behaviors or not being able to connect the dots between the proposed changes and the value they bring.

With every business undergoing constant transformation, it is time for leaders to adopt a new approach. We advocate for an inside-out prioritization, one that tests assumptions, rethinks positions, and uncovers opportunities for growth. Great companies are built on a foundation of understanding the factors that drive success and fostering alignment across all levels of the organization..

Atlantic Canada's businesses face an array of challenges in today's competitive landscape. One of the most pressing issues is generating dynamic revenues. A staggering 51.08% of leaders report poor results from marketing efforts, while 25% actively discourage other business owners from investing in marketing. Additionally, 46.0% of leaders feel they have no growth pipeline at all

Digital readiness also poses a significant hurdle, with companies in the region rating themselves at a modest 56.4%. Alarming, leaders are more likely to discourage technology investments, with a net promoter score of -10.6%. This pessimism does not stem from an unwillingness to learn (rated at 73.4%) but rather from difficulties accessing capital and finding skilled workers to support digital innovation.

Despite leaders ranking the quality of work at 78%, employees paint a different picture. They rate their working environment at only 52.1%. The discrepancy of alignment around the direction to be followed between executives and managers is cited as the primary factor hindering the employee experience.

The employee value proposition also suffers, with 62.1% of employees expressing excitement about going to work and a concerning 44.8% not excited at all. Employees feel unheard, with 41.6% reporting that they are unable to voice their perspectives, creating a silent obstacle to engagement and alignment.

Furthermore, 48.5% of employees perceive workplace stress to be more harmful than in the past, highlighting the growing challenge of mental health and well-being. With an employee experience net promoter score of just 9.1, few individuals would recommend their current employer to others.

With over 30% of workers reporting a poor quality of work, an astonishing 56.0% are actively looking for other opportunities. These factors contribute to 42.6% of employees feeling unprepared to respond to change in a healthy manner. As businesses confront constant transformation, leaders face considerable resistance in adapting to the shifting world around them.

Feeling the headwinds of these challenges, Atlantic Canada's businesses must prioritize improving revenue quality, investing in digital technologies, and nurturing a strong employee value proposition. By addressing these issues head-on, leaders can build a foundation for growth and success in an ever-changing environment.

In the constantly evolving world of business, leaders in Atlantic Canada face a critical moment for driving change and growth. To do so, they must address the disconnect between their own perception and that of their employees. The key lies in a new approach to leadership, one that strengthens and leverages the employee experience.



The workforce's mindset significantly influences the level of energy they bring to their work. A motivating vision, consistently communicated and embodied by leaders, accounts for 67.7% of the reason employees find meaning in their work. Visionary leaders navigate complex landscapes, overcoming obstacles and driving alignment to achieve significant results.



However, many transitions face resistance, despite clear visions and supportive executives. To tap into the untapped potential of the employee experience, leaders must create an inclusive environment, foster a culture of accountability, and focus on the skills and capabilities needed for growth.

Four essential components can help drive this alignment:

- 1) A clear purpose and vision that inspires commitment and effort from employees.
- 2) An inclusive environment that supports employees to bring their unique identities and experiences.
- 3) Opportunities for learning and growth, fostering resilience and adaptability.
- 4) Support for managers and supervisors, providing the necessary resources to drive results.

To overcome growth challenges, Atlantic Canadian companies need a strong employee value proposition, openness to collaboration and innovation, investment in data and digital technology, and an agile operating model. These factors, when executed well, can increase growth by over 36%.

Addressing the misalignment between leaders and employees is crucial. While leaders perceive culture and productivity as strengths, employees rate their experience significantly lower. This gap must be bridged to support change and growth.

Moreover, as remote work becomes more prevalent, leaders must adapt. Employees who worked remotely in Atlantic Canada report an 18% higher overall experience, suggesting a need to re-evaluate the traditional work environment.

To thrive, leaders in Atlantic Canada must prioritize measuring, understanding, and taking proactive actions to enhance the quality of work through the employee experience. By doing so, they can unlock the potential to triple their success and create a resilient, innovative, and vibrant business landscape.



Section Two

Harnessing the Power of Employees in Revenue Generation and Growth

Insights

In an increasingly challenging business environment, it is vital for leaders to take a comprehensive, data-driven approach to revenue generation and growth. Understanding and addressing the key aspects of comparative revenue positioning can empower businesses to thrive amidst turbulence. However, the true power of growth lies in recognizing and engaging employees as valuable assets in connecting with the market. By involving them in creating, messaging, and delivering value, businesses can unlock their full potential and achieve a significant increase in the return on investment in marketing and sales.



The problem statement:

Amidst a challenging business environment, with declining growth expectations and low confidence in marketing efforts, businesses struggle to effectively connect with customers and generate sustainable revenue growth. This issue is exacerbated by the overlooked potential of employees, who possess valuable insights that can shape the approach to customers and partners and contribute to the company's overall growth and success.

Background

Business leaders' expectations for the rate of growth for the next three years (as of the last quarter of 2022) have declined to 5.36% for Canada, and 4.97% for Atlantic Canada, from levels of 8% or more in prior years. There are clouds on the horizon for scaling revenues and gaining momentum in sales.

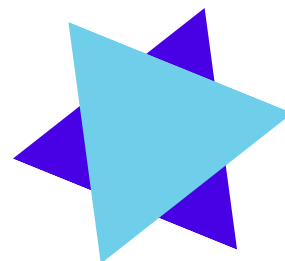


In Atlantic Canada, leaders highlighted revenue generation as the most critical strategic challenge, with gaining a return on investment from marketing efforts, maintaining a healthy pipeline of business opportunities, and expanding into other markets as the factors with the lowest confidence.

For businesses, significant commitments are made to marketing, messaging, and positioning in the market to attract business. The confidence in these efforts has remained consistently low over the prior three years at about 60%. Leaders also question the new customer journey buyers are following since the commencement of the Covid-19 pandemic and if marketing is connecting with the shift in audience trends.

And with the global market growth expected to slow, expanding revenues without moving to new methods will be further strained.

Leaders ranked their capability to be positioned for growth at this time at 63.4%, a clear challenge to confidence. Being able to connect with the market was seen as the primary obstacle. The real roadblock, however, is strategic – with more than 80% of leaders focused on preserving cash flow streams from current product and service offerings with the same customers. Businesses are more resilient with a higher quality of revenues as compared to eighty percent from a focused source.



A data-driven approach to comparative revenue positioning is a path to improving the quality of company cash flows and the strength of the business. By assessing the capacity, consistency, and diversity of a business's revenue streams, leaders can uncover opportunities for growth, specifically in several critical aspects:

- **Average 3-year overall revenue growth rate and profitability:** These metrics indicate the dynamism or stagnancy of revenues, as well as the business's focus on growth.
- **Diversity of revenues by client:** The number of clients and average revenue per client over a 3- year period showcases risk exposure.
- **Recurring revenue percentage:** A measure of the stability of revenue sources, calculated by the percentage of revenues from recurring or subscription sources over three years.
- **Return on innovation by revenue:** This reveals the renewal and vibrancy of product and service line offerings by examining the percentage of revenues from new products relative to total revenues and their profitability.
- **Percentage of new business or clients by revenue:** By evaluating the percentage of revenues from new clients relative to total revenues and their profitability, this metric highlights the effectiveness of business development efforts and marketing.
- **Export revenues:** The percentage of revenues from export sources demonstrates the diversity of geographic and market revenue streams, reducing risk and opening potential for growth.



By understanding and addressing these key aspects, entrepreneurs and leaders can take a comprehensive, data-driven approach to grow and thrive in an ever-evolving business environment.

The challenge to effectively connect with customers and resonate in our target market remains more significant than ever. Amidst turbulence and the constant quest for maximizing the return on marketing investments, one crucial resource is often overlooked, hiding in plain sight: employees.

Employees serve as the critical foundation for engaging with markets and possess valuable insights that can shape the approach to customers and partners. But what do employees know that is often missed by businesses?

The key advantage of seeking your employees' marketing perspectives lies in their accessibility. It is crucial to pose these questions anonymously, ensuring genuine, valuable feedback instead of hearing what they think leaders want to hear.

Understanding the value that products or services provide to customers is essential for every employee. If they do not grasp how business offerings create success for the market, their contributions might be limited, even if they are happy and engaged. Employees need to understand the value the business provides to bring forward innovative ideas.

Interestingly, 42% of employees reportedly do not know how their company creates value for its customers. Moreover, do they agree with the marketing message businesses send to the market? This agreement is the true measure of branding. Employees need to believe in the company's marketing message to support its efforts wholeheartedly.

The third critical aspect is whether employees agree with the strategic direction the business is taking. Even if they understand the value and believe in the message, a misaligned direction will prevent them from fully committing to the company.

Many businesses mistakenly assume that employees understand and agree with the decisions made regarding customer value and market approach.

For a business to thrive, employees must believe in its value, brand, and strategy. This belief is reflected when they willingly refer their family, friends, and connections to the company's products or services. If employees wouldn't make referrals, it indicates a massive crack in the business foundation and a promise to customers that may not be fulfilled.

Engaged employees can act as ambassadors for the business, and without their involvement in creating, messaging, and delivering value, a significant opportunity is missed. Leaders can gain a tremendous advantage in the market by connecting with employees as their path to the market. With engaged employees, the return on investment in marketing and sales will see a significant increase.



Section Three

The New Performance Blueprint: How a Select Few Companies are Winning the Digital Revolution





How are a select few companies are winning the digital revolution?

CEOs face numerous challenges, including investor expectations, rising interest rates, supply chain issues, and cybersecurity risks. Despite 60% of global companies planning to increase digital investments in 2023, many leaders are frustrated with weak business cases and unclear returns on investment.

The focus has shifted to developing revenue opportunities driven by technological disruption as traditional markets have reached a plateau in growth. Incumbent companies often struggle to justify investments in these new markets and lack the talent needed to thrive.

Successful companies invest in cutting-edge technology, people, processes, and culture to extract value from their investments. They focus on analyzing and understanding the culture, assessing the capacity for change, and effectively communicating the strategy to engage employees.

Future champions share six common attributes that drive their success, including **investing in people, agility, resilience, consistent innovation, sound data platforms, and AI integration**. These companies outperform their competition and generate shareholder returns nearly three times higher than their rivals.

The importance of a strong employee value proposition is critical for success supporting partnering with other businesses to innovate, investing in data platforms and AI, and adopting an agile operating model to drive growth and succeed in the digital revolution.

Background



Welcome to the era where a select group of companies are leaving their competition in the rear-view mirror. These trailblazers have deciphered the secrets to success in a world fueled by digital experiences, integrated artificial intelligence, and advanced data strategies. They have managed to sidestep the common pitfalls of traditional IT projects, achieving superior financial and non-financial performance. Meanwhile, companies clinging to outdated strategies are facing the risk of obsolescence.

The very foundations of competitive advantage are undergoing a transition as growth opportunities and the capabilities needed to win in new markets shift gears. Traditional markets have reached a plateau in growth, and the focus has turned to emerging markets born out of tech disruption, such as e-commerce, streaming media, cloud-based interactions, mobility solutions, and smart energy.

Many incumbent companies, however, struggle to justify investments in these new markets and instead make only incremental investments in their existing businesses (or invest in the wrong areas). Hindered by a lack of capabilities and talent needed to thrive in these new environments, their futures look increasingly bleak.

Most leaders are frustrated by people not engaging in clear business cases for change, dealing with misalignment with executives and managers creating increasing capital demands from delayed initiatives, and sliding offside as initiatives do not have a clear value connection for the business. These same leaders are anxious from increasing roadblocks with 85% of projects stumbling from cumbersome coordination of change initiatives, while 74% face resistance to new ways of doing things due to lack of clarity of application to the business from following cookie-cutter approaches not customized to the business, with a further 70% not prioritizing the resources needed to execute as planned and then facing roadblocks to implementation.

With this traditional approach to change, only 22% of initiatives are finding their footing and realizing results. The remainder become relentless and heated discussions in the executive meetings as to who to blame and what is at fault – wasting more time, energy, and resources.

A handful of future winners have emerged, investing not only in cutting-edge technology but also in people, processes, and culture to extract value from their investments.

For those companies that are making transformations work, they have focused on two critical aspects of change management, often overlooked yet at the core of why initiatives fall short of intent. Winning companies focus on analyzing and understanding the culture, assessing the capacity for change, the capabilities needed, and communication to engage people in the story of change. Leaders in these companies know that 67% of the reasoning for failed change projects lies with not involving people and appreciating the impact of culture on resistance to transitions. By not measuring what influences change for a company, leaders risk stalling and falling offside.

Taking time to involve and engage employees in the transformation saves significant energy and resources while increasing the likelihood of success. The second aspect leaders at companies excelling at change is to clarify and communicate the strategy, the decisions supporting the transitional project, and bringing people into the story of the purpose and impact of the initiative, particularly worded in the benefit to people. Ignoring the communication of strategic intent loses 15% of the potential for results. Overall, taking time to measure the readiness of employees for change and developing a clear story of shared success for the initiative creates a multiple of three times the achievement of the desired outcomes, a 69% rate of accomplishing the intent of the change initiative.

Many businesses mistakenly assume that employees understand and agree with the decisions made regarding customer value and market approach.

For instance, when investing in AI, strategic companies follow the 10-20-70 rule: 10% of the effort goes into building an AI model, 20% focuses on providing high-quality data, and a whopping 70% emphasizes people, new business processes, and cultural transformation. These companies are also preparing for the rapidly changing skills landscape, ensuring they have the right talent to excel in new growth markets.

These companies have mastered the ability to realize bottom-line business value from data and digital technologies, with no lengthy delays or ballooning costs. Leaders in such companies develop a deeper quality of revenues and a higher engaged productivity from employees to gain performance far superior to those not playing by the rules of the new way of working.

Where are the growth opportunities for business in the world of uncertainty and turbulence experienced today?

In the past, companies realized nearly 70% of growth for their businesses from expanding the market for their core product and service offerings. The pandemic has had a lasting delay on organic growth, and opportunities for increasing core offerings to the market have plateaued.

For leaders focused on growth, the opportunity rests with exploring new markets, and rather than geographic expansion more through applying digital and data strategies to test old assumptions, rethink positioning, and uncover breakthrough moves to a new level of success. A small number of companies have built winning capabilities, broken from the past, and invested in smart technology to advance. These companies have placed their primary strategic focus on their people, transforming how their businesses work, developing skills, capacity, and positive attitudes to change. They have moved from focusing on what they do to investing in how they do what they do.

Why does technology make the difference?

All companies are technology businesses and to compete and develop new growth markets, leaders need to look at two essential benefits: first, positioning a solid data and AI foundation to move with the flow, adapt, and scale, and, secondly, gain a flywheel effect from the ability to apply technology to reinvent value for customers quickly.



These companies are focusing leadership to support growth, moving from traditional pathways:

1

First and foremost, leaders of forward-focused companies are investing in building a people advantage, founded in an employee value proposition that attracts and retains while developing capabilities and capacity – this focus is at the core of all business growth.

2

They ensure their companies are in operating mode, enabling agility and resilience to adapt and respond quickly to challenges and opportunities.

3

There is a consistent investment in innovation.

4

A sound data platform is in place, with pathways for scalable technologies that access and use the data for insights.

5

AI is embedded in the way the business works, connected to creating value both internally through operational efficiency and external for enhanced customer offerings.

6

A clarity of purpose drives decision and performance, motivating people with a shared understanding of success.

Leaders balance the need for short-term profitability with longer term return potential.

The challenge, though, is that 75% of companies are not in this league at all, either stagnating or trying to find ways to engage with digital strategies. While 6% of businesses are fully future-ready, the remaining 19% are scaling to get there – these companies are in a sustainable position for growth.

These companies have taken a different approach to technology, applying investment to use analytics to better predict risk (such as in supply chains), working with analytics to integrate marketing and sales efforts, using analytics to understand and meet customers needs more effectively, advance the diversity, equity, and inclusion in their cultures, and promote digital re-skilling and upskilling (the potential for advancement of capabilities keeps people engaged and productive, not exploring departures while also expanding the capacity of the business).

In Nova Scotia, as in other provinces of Atlantic Canada, companies rank their digital readiness at 56%, although open for learning how to apply new technologies, there is a serious lag in commitment. The investment in building data and digital capacity is pegged at 22%, far behind the rest of Canada and even more so with other countries. Leaders see digital and data transformation as high on their agenda, although have not taken necessary actions to implement the needed capabilities. The present position places companies in the region in a precarious situation for realizing growth opportunities.

There is a need to shape companies to achieve sustainable ongoing change founded in data, digital, and AI for growth, internally and with customers and clients.

For this to happen, companies need to be driven by a consistently communicated purpose that provides meaning for people and creates value for the business – and leaders have the commitment and confidence to set deliberate and thoughtful direction to achieve outcomes that matter.

The starting point is a focus on capabilities and skills needed to support growth and a clear understanding of the employee experience to bring people together.

A data and digital strategy need to be clear and in place, with an entrepreneurial culture to support change (which few do), a clear employee value proposition to retain and develop great talent from frontline to managers to executives and testing the application of AI to efficiency of operations and enhancing client value.

Leaders need to understand the new way their organization is working, to achieve alignment. To do this, there needs to be four components in place:

1

A clear sense of purpose supported by a vision that motivates people to commit their energy and effort to achieving transitions in how work is done.

2

An excellence in creating an environment of inclusion where people can bring their own independent identity, and experience equity in access to opportunities.

3

A challenge for people to learn and grow, adapting to new ideas, and strengthening their sense of resilience.

4

Supporting managers and supervisors, the messy middle, to have the time and resources to drive the delivery of results.

The importance of a people advantage for companies seeking to access the potential of advanced technologies is clear, revolving around a strong and coherent employee value proposition. There needs to be an openness to partner with other businesses to innovate and gain access to diversity of thinking. A strong data platform and digital technology investment is required, with AI embedded in the operations of the business. And the operating model for the company needs to be agile, with decisions, expectations and resources moving to support the momentum and traction of change to support growth.

Section Four



**Mastering the
Employee Value
Proposition to Adapt
and Thrive in the Era
of Disruption**

Insights



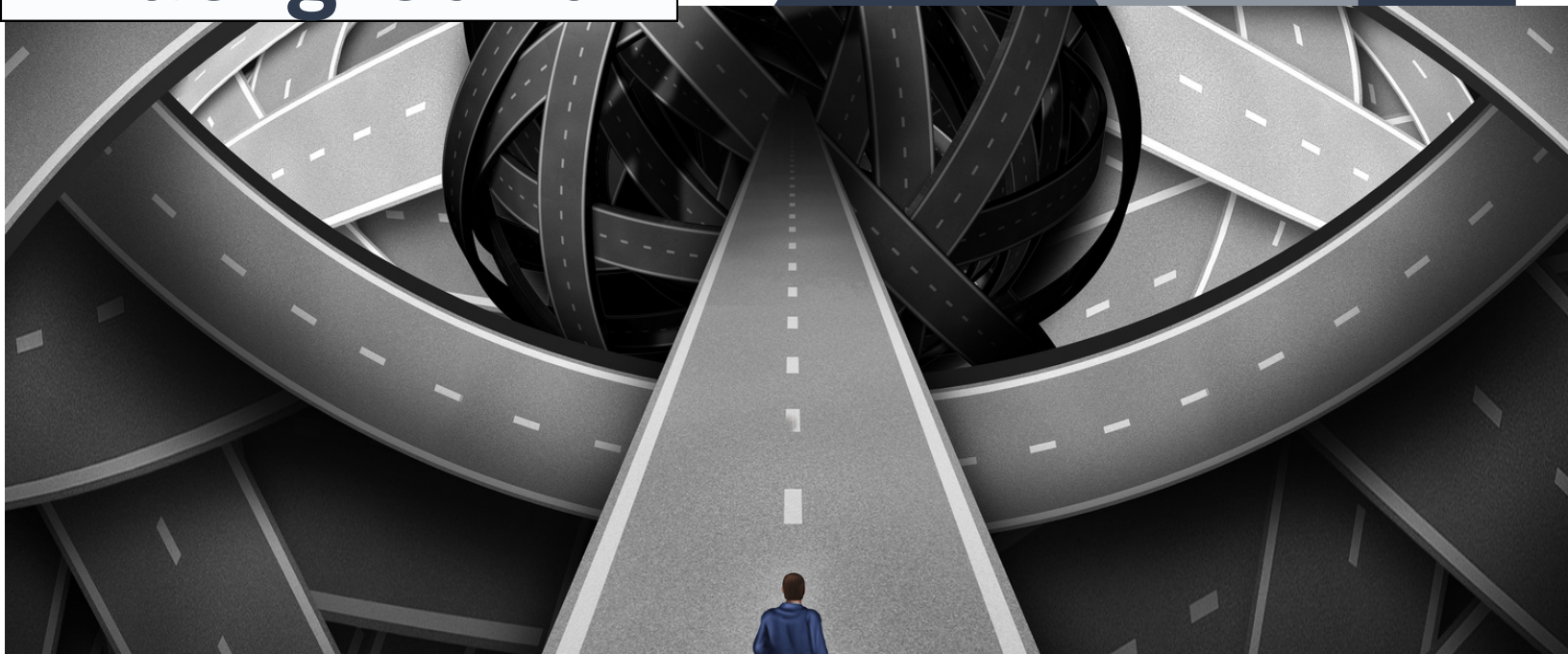
How best to understand and address resistance to change?

Organizations often struggle to bridge the gap between potential and performance due to this resistance. Employee experience emerges as an untapped resource that can combat resistance and unlock performance potential when leaders practice inclusivity and genuinely consider employee perspectives, leading to three times the level of results compared to their counterparts.

There is a significant disconnect between how leaders and employees perceive the quality of work and alignment within organizations. Most employees understand the need for change but face roadblocks when executing it. Communication effectiveness and decision-making are primary challenges in organizations, and employee experience is often not measured and included in strategic decision-making processes, negatively affecting the overall performance of companies.

Psychological safety in the workplace is crucial for collective performance and employee experience. An inside-out approach, founded in employee perspectives, holds the answers to the most pressing problems facing organizations. In today's data-driven world, analytics can be used to assess data, reveal patterns, and identify connections, enabling data-driven business decisions and helping organizations adapt and thrive amidst change.

Background



In the complex world of modern leadership, visionaries navigate ever-changing landscapes, driving innovation, making an impact, and rallying their teams to achieve significant results. These leaders, whether overseeing a strategic merger or acquisition, leading a digital transformation, or rebranding for a new era, share a common goal: achieving alignment.

Despite numerous meetings, town halls, and a clear vision supported by the entire executive team, many transitions encounter obstacles. Deadlines are extended, resources dwindle, and employees resist change. Talented workers depart without clear reasons, and the true nature of the problem remains unspoken.

Our research seeks to uncover the root cause of resistance to change and why organizations struggle to bridge the gap between potential and performance. While leadership decisions account for 60% of an organization's growth and success, 85% of results stem from the collective efforts of employees. However, a mere 22% of transition initiatives achieve their targets, highlighting a significant disconnect.

The employee experience emerges as an untapped resource that can combat resistance and unlock performance potential. Research indicates that leaders who practice inclusivity and genuinely consider employee perspectives can achieve three times the level of results as their counterparts. The key involves understanding and positively shaping the quality of work for employees while fostering a culture of accountability and aligned performance.

We have seen the comment that people are the greatest asset of a business, yet in watching how the employee experience has unfolded in the past several decades, the question becomes: **Are they?**

In our work with Atlantic Canadian companies, the quality of work from the perspective of leaders was ranked at 78%, seeing positive and supportive working relationships as the greatest strengths of organizations in the region.

Employees rated the factors of performance reasonably well on an overall basis – 75.3% for capabilities of the workforce, 73.7% for the ability to collaborate, and 76.5% for the commitment of people to bring their best contribution. Within the ratings, however, were large groups of employees significantly disillusioned with the working environment – 25.5% of people felt the workforce did not have needed capabilities, while 28.5% were not seeing collaboration and 20.9% were quietly quitting in their roles. A further 35% were in the middle.

The desire is there for employees with 79.1% understanding what work is needed to be done, and 74.3% wanting to follow through on what is needed. Yet only 65.0% were ready to implement change, meaning a full 35% were resistant to any shifts in how work is done.

The likelihood of employees promoting or recommending their organization to friends and peers to work with was pegged at just 9.1%, not a healthy endorsement.

However, the net departure risk was at an alarming level of 56%, with the primary factors encouraging consideration of other work being the perceived stigma of mental health in the workplace, that mistakes are remembered and held against employees, and people do not feel respected for being perceived as different. What made people rank their quality of work high, and be committed to staying with their employer?

Three factors were highly correlated: the feeling that the workplace is supportive and free of prejudice, that good work is recognized, and that the vision of the organization was motivating.

We are in an era of relentless change, with economic conditions that are turbulent, ambiguous, and uncertain, with leaders facing a never-ending cycle of transformation. And despite the pressure to transition the business continuously, creating a project-based workplace, only 22% of change initiatives succeeded – leaving most companies falling behind, stalling, and becoming mired in frustrating wastes of time, energy, and effort ... and money.

Do people understand the strategy requiring change? Yes, nearly 80% of employees appreciate why change needs to happen. But executing the change is where the roadblocks arise with only 52%, just about half of employees, committing to what they need to do to implement the change.

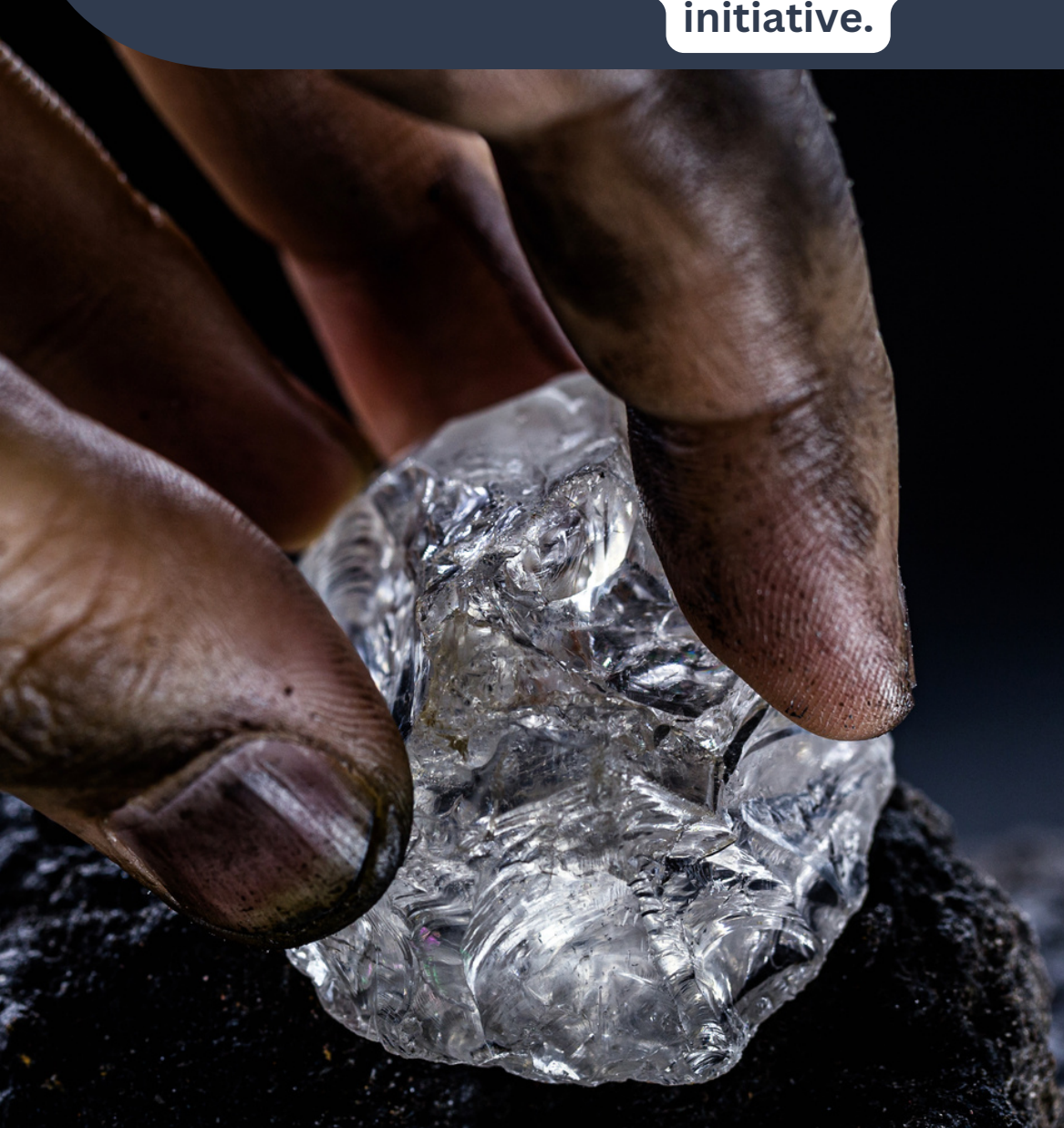
- According to the Gallup Organization, employee engagement has stagnated at 30% for the last two decades (to 2022).
- Despite the importance of digital readiness, the adoption rate for organizations in Canada at a basic level is about 33%, while only 12% have moved to greater integration of technology in the workplace (to 2023 from Statistics Canada).
- Innovation in Canada, no matter the pressure to be agile and adapt to changing customer preferences, the rate of investment remains at about 18% of revenues growing at only 3% annually over the prior three years to 2023 (Statistics Canada).
- And departure rates of employees have increased to average levels of approximately 25% of the entire workforce in Canada.

People are not encouraged by the potential of the opportunities for their future, from their perspective.

Where does the disconnection happen?

For most organizations, employees rate the effectiveness of communication as the primary challenge. People ranked the quality of decisions to positively position the organization at just 63.3%, with 44.8% feeling decisions did not make sense to the direction of the company. Unrealistic expectations were also highlighted as a problem.

Digging deeper, more than one third of executives did not feel their time spent in meetings and making decisions focused on the right problem, creating a misalignment from the start of the initiative.



The level of disagreement in the boardroom was passed down through the organization, with only 59.8% of employees feeling decisions were made in a timely and thoughtful manner, while 36% felt decisions were made by the wrong people and a further 34% believed the decisions were not consistent with the strategy and vision of the company.

And with 85% of the performance of organizations resting with the alignment of people working together effectively, the lack of clarity around decision-making immediately creates a challenge for implementation and achieving success for leaders.

While leaders have recognized that the primary reason that transformations fail to achieve the expected results, less than 10% of organizations measured employee experience, the key determinant of commitment to change.

Not including employee experience in the strategic decision-making process is clearly to the detriment of specific initiatives as well to the overall performance of companies:

- **31% of employees were actively disengaged from the work of the organization, with low ratings for vision and meaning, opportunities for growth, feeling connected and belonging, and having the flexibility and autonomy desired.**
- **A further 29% of employees were on the fence, neither engaged nor disengaged, simply showing up to work.**

Employees report a quality of work lacking energy, with high expectations for projects poorly communicated. The situation is creating high levels of stress and burnout in managers particularly, as well as for frontline employees (at levels more than 60% of the overall workforce).

If people truly are the greatest asset of the business, and they are, a new leadership proposition is needed. Recent studies show that 40% of the potential impact of leaders is lost to wasteful meeting and focusing on the wrong problems, resulting in a high level of distraction for the organization.

Knowing that 85% of the results a business will achieve connects to the ability of people to perform at their best collectively, what is holding people back?.

Collective performance to the greatest extent rests with people having psychological safety in their workplace, the feeling that they can be themselves and provide perspectives without adverse reactions. A working environment with psychological safety rests with clarity, where people understand what to do, can do it, see value in their work, enjoy the experience of being with their colleagues, enjoy their work and get to apply their unique skills and talents each day with a degree of flexibility.

The employee experience hinges on a foundation of psychological safety, which can be measured, capturing the degree that people love their work, are appreciated for their talent and skills, with the room to grow and development, having autonomy and flexibility in the way they work – a new way of working. And resting on healthy relationships with their managers.

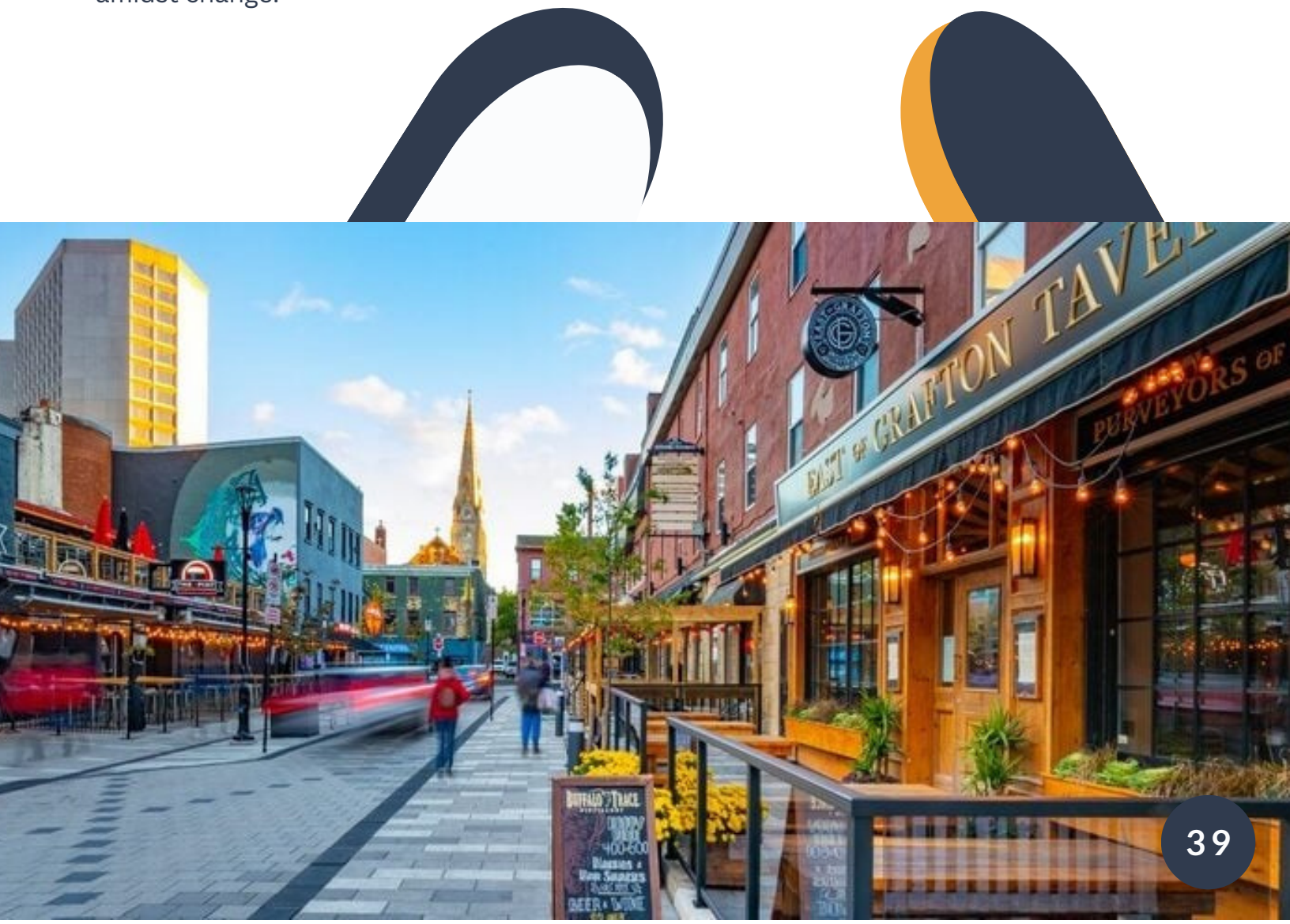
Why are we continuing to see sliding collective performance numbers? The irony is the answer is within the organization, and the questions simply need to be asked. An inside-out approach, founded in employee perspectives of their working experience, holds the answers to the most pressing problems facing organizations. As with resolving problems in any relationship, the answer lies in asking questions and listening. It is the same for organizations – executives, managers, and employees.

In today's data-driven world, businesses face an overwhelming volume of information, yet lack what is needed for informed decision-making that matters to employee experience. The primary purpose of analytics is to utilize this data to understand and predict human interactions, work, and communication patterns. However, raw data often provides little value; it must be packaged and transformed into meaningful insights that drive understanding and decision-making.

Analytics leverages models and algorithms to assess data, describe the context, reveal patterns, and identify connections. These insights enable data-driven business decisions, simplifying complexities, synthesizing noise, and connecting the dots to create objective and less biased decisions.

Applying analytics to gain data enables trust to respond honestly and objective insights for decision-making.

This pathway moves companies into the elite "three times league" of leaders, with the strategies that can transform today's workplace and help organizations adapt and thrive amidst change.



Section Five

**Unleashing the
Catalyst: The Game-
Changer for Modern
Leadership**



CEOs are facing relentless change and seeking to navigate uncertainties and prioritize factors such as resilience, response to change, technology integration, business diversification, and employee value proposition, leaders must be adaptable and proactive.

Talent and skill development play a vital role in driving value and building resilience in a volatile environment. Aspiring to change and fostering a shared understanding of success are essential for organizational growth. Technology transformation initiatives should have a clear link between investment and value created, supported by employee engagement. Prioritizing employee experience and understanding their needs are also crucial for achieving transformation.

Meaningful work and a supportive, inclusive work environment contribute significantly to employee satisfaction. Decision-making, communication, and fair compensation are key factors that influence workplace experience. Remote work arrangements often yield higher job satisfaction, as they offer more flexibility and autonomy. Trust and inclusivity in the workplace are vital for employee commitment and engagement.

A resilient organization depends on employees' ability to adapt and maintain composure amidst challenges. A strong, consistently communicated vision and a diverse, inclusive culture contribute to employees finding meaning and belonging in their work. Addressing these factors is vital for organizations to reach their full potential, be agile, and open to change.

Background



There are five key priorities for CEOs at this time – to communicate the key problem, find the leverage points to align people to engage in change, using data to provide objective understanding, identify the real causes of problems and not be distracted by symptoms, and understand the power of the people who are committed to the organization.

Leaders are confronting a welter of uncertainties, trying to pinpoint what matters most amidst ongoing turbulence.

The job of leaders is about prioritization, along five factors:

- Building resilience in the business
- Responding to change
- Integrating technology as the foundation for growth
- Building new businesses to compliment and diversity the core
- Defining a clear employee value proposition

The ability to deal with adversity and adapt to adverse conditions is critical, and with speed, and also to be proactive and respond to pre-empt further upsets. Having top talent is the best response to volatility, with skilled people in the roles that drive value and have a high quality of work experience to strengthen the resilience of the business.

Courage is an advantage for change, looking at what is most important to change to enhance the business on a longer-term basis, taking an aspirational mindset to build a committed and aligned culture with a shared understanding of success.

New business building needs to be a focus for leaders founded in understanding their customers and the buying process, highlighting the pain points, unlocking the unique advantage the company offerings bring to resolve these pain points – establishing a clear mission to increase revenues.

Technology is without question driving the business agenda, with 89% of leaders involved in technology transformation initiatives. There is clarity around the technical objective, but the direct link of the investment to the value created is lacking, and a higher degree of engaging with employees to support the change is essential.

Talent is the key to transformation – understanding the employee experience to develop and advance people who will respond to the opportunity, moving from a perspective of promotion from pedigree to one of potential, rethinking the way jobs works and what needs to change, and where are the opportunities for skill development.

Leaders need to develop an aspirational mindset and culture, activate more partnerships, and execute with excellence, and this all rests on enhancing the employee experience.

Having clarity of the competitive advantage is the prerequisite for growth, knowing that the business has a scalable business model. From this foundation, businesses should not be laggards and need to benchmark their performance against their industry, peers, and the market, to answer the question of if the company is running faster, keeping pace, or falling behind. The future growth depends on having a strong core business prepared for further expansion, addressing the question of what it will take to ignite the core. And businesses that excel at growth will be a local hero, having the winning formula to own your hoe market. With this in place, companies can look at 20% of new growth opportunities from looking beyond their core, growing where they know, and going global if you can lead locally.

The highest correlation of all factors to quality of work for employees is meaning, being able to find what makes them feel part of something larger than what is in front of them. More than eighty percent of how people perceived the quality of their work related to the knowledge that their role created success for the organization and that their work created value for customers.

The second factor most highly correlated to perceived quality of work, at 66.3%, was the sense that the working environment was supportive and free of prejudice, that there was no toleration for jokes related to race, culture, or gender.



The third most highly correlated factor to a positive quality of work was that people were accepted for who they are and could bring their own identity to the workplace, ranked at 52.4%.

What factors caused people not to feel a high quality of work in the roles?.

- **Nearly 60% of people pointed to the way decisions were made and communication as undermining their experience in the workplace, feeling that decisions were not made in a timely or informed way and that decisions were not consistent with the strategy and vision of the organization.**
- **The perception that compensation was not fair compared to the market was the second factor contributing to the feeling of a poor quality of work.**

Overall satisfaction with life is greatly connected to the simple feeling of being excited to do the work of the role each day. The rating for the excitement of going to work was low at 62.1% as ranked by employees, with the more alarming measure being that 44.8% of people were not at all excited to go to work each day – nearly half of all people do not have the feeling of positive energy in facing their work each day.

Related to the lack of energy in work each day was the feeling that people did not have a voice that was heard in how work is done, with an overall ranking of 64.2%, and 41.6% feeling unheard and not able to voice their perspectives. This is a huge silent challenge to alignment and engagement.

Further, nearly half of the workforce, 48.5%, feel that there is more stress in the workplace, and it is more harmful than in the past, indicating the rising challenge to mental health and well-being in the working environment.

These factors connected to 42.6% of people not feeling they can respond to change in a healthy way, they were not prepared or ready to change how work is done. With more than 40% of people not being open to change, in an age of ongoing transformation, leaders face enormous headwinds to adapting and moving with the shifts in the world around the business.

The employee experience was ranked at 69.5% on an aggregated basis, although only with a net promoter score of 9.1, few people would be open to encouraging others to work in the organization where they are employed presently.

For people who had moved to a new role and organization in the prior two years, the net promoter score rose to 26.1, for a much more positive likelihood to refer friends and colleagues to work in their environment, the move was positive for them.



More than 30% of people express having a poor quality of work, which contributed to a rate of 56.0% of people being open and looking for another role, a huge risk of turnover for businesses trying to build continuity for greater capacity and capabilities.

Those working in an entirely remote arrangement were 10% more positive about their quality of work on average, and 17.6% more energized than their colleagues working completely onsite. The flexibility of remote working arrangements is valued by people, in almost all aspects of the working experience.

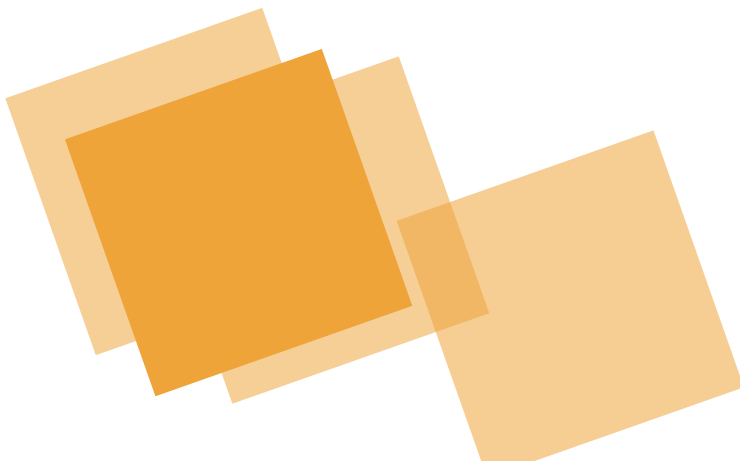
For employees working completely onsite, the detractions from feeling a positive quality of work were related to three main factors:

- **Mistakes would be remembered and held against them, creating insecurity, fear, and lack of being heard.**
- **Feeling that stress will last longer than in the past.**
- **And feeling that stress is experienced at higher levels and intensity than in the past.**

Working entirely onsite seems to carry a higher degree of stress and negative impact on quality of work and life.

The divisiveness felt in society overall in recent years seems to be having an impact on how people work together, with 42.8% of employees expressing a sense of low trust in their colleagues. What shaped people's attitude to working together in the organizational culture and saw a future there?

- **People increasingly want more flexibility in how they work, and the rating of autonomy in their work was perceived at 71.3% with 30.6% of employees feeling they had no freedom in their work.**
- **Having a voice and being heard is also a significant factor for people to engage and commit to their organization's work, and the general rating was 64.3%, with 41.6% of employees overall feeling they do not have a voice and are not heard at all. People are feeling ignored.**
- **Employees want to be excited about their future and intrigued by what is ahead, and people rated the level of opportunity for them in their workplace at 70.4% with 35.4% seeing no route to opportunity ahead. With no feeling of future growth, people think about leaving.**
- **And people want to learn and grow to feel more alive in their work, and the rating overall was 74.0% with 30.4% of employees feeling they are not able to gain new skills and grow their careers at all.**



There is a large portion of the workforce who do not feel alive in their roles.



And this moves into a key area for companies, to be more resilient to adverse conditions enabling a healthy approach to adapting to uncertainty and change. Organizations are generally as resilient as their people feel, and the rating for resilience was 69.1%, with 36.1% of employees not feeling resilient at all, contributing to the increasing experience of burnout throughout the workforce. The highest challenges to feeling resilient was composure, being able to manage emotions in healthy ways, and coping.

The impact of the perception of the working environment and the quality of work experienced is a mindset for busyness – taking actions first, responding the emotions and feelings second, and then thinking about what needs to be done. It is an action-oriented approach to work.

Within the mindset of how people see their working environment, the highest single lens was the ability to approach their work with independent identity, the ability to be themselves first and foremost.

The mindset of the workforce impacts the level of energy people can apply to their work, and the single strongest influence on positive energy was a vision that motivates people consistently communicated and followed by leaders. A strong vision made up 67.7% of the reason people found meaning in their work.

The sense of community people feel in their workplace is moderately strong, although there is ground to be covered regarding diversity, equity, and inclusion. Employees rate the success of their organizations in building a diverse culture at 66.4%, and do not generally see themselves in leadership with 61.8% scoring diversity in leaders. The result is that 30.2% of employees do not feel they belong in the organization's culture, further encouraging people to consider departing for other opportunities.

The outcome of the perception of quality of work results in performance levels rated at 73.1% of potential, with 29.8% of people considering their colleagues to be low performers. Similarly, the level of agility, the capacity to quickly adapt to shifting situations, is ranked at 72.0%, with 31.3% feeling the workforce was not agile at all.



**Employee
Experience: The
Cornerstone of
Revitalizing Atlantic
Canadian Businesses**





Atlantic Canadian leaders need to strengthen their businesses from the inside out, focusing on building a clear and engaging employee value proposition.

Transformations can only happen with the foundation of talent, who are attracted, developed, and retained with an employee experience that provides for their well-being while recognizing their contribution to the performance and results of the company

With a distinct employee value proposition, where people proactively encourage their friends and colleagues to work in the same organization, leaders gain the commitment needed to effectively transition their businesses to competitive digital players, using data and advanced technologies for operational efficiency and developing new revenue streams.

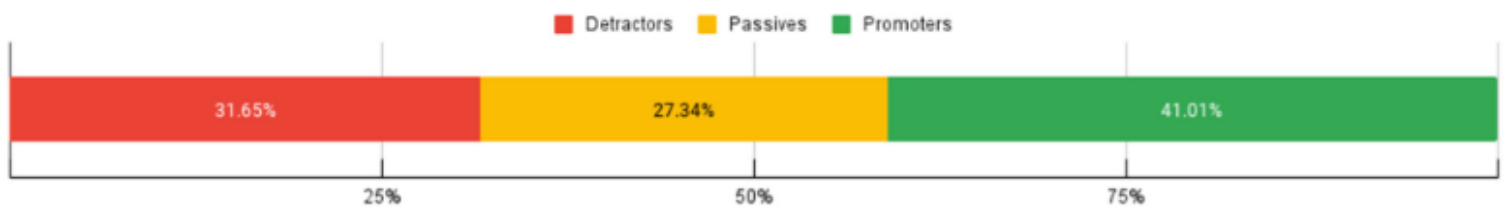
From the energy of an integrated digital business, leaders can enhance the quality of their revenues, building resilient and dynamic pipelines of opportunities diversified, innovative, and consistently attracting new customers.

At the root of the invigoration of Atlantic Canadian businesses is the measurement and mapping of one metric: the employee promoter score. The health and viability of companies rest in the ability to have people with the capacity and capability to work collectively together to achieve results that matter.

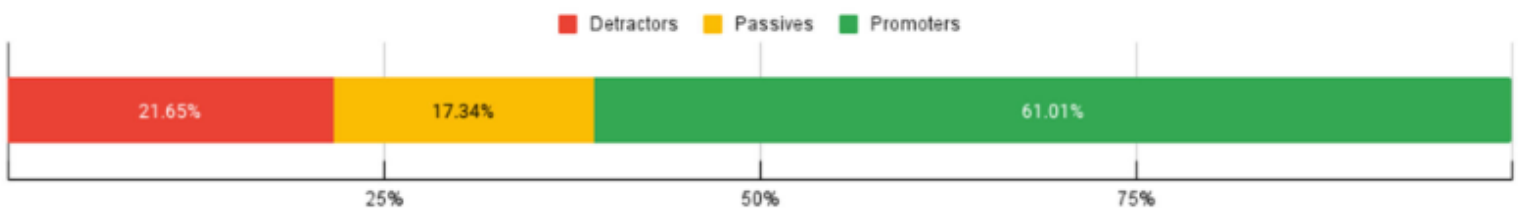
Imagine what the energy would be for Atlantic Canadian leaders and employees...

if the net business promoter score shifted from the present level of 9.4% with just a 10% positive move in confidence from detractors to passives to promoters. The score would move to 39.36%, a strong endorsement of the region as an innovative and vibrant place for doing business, creating a dynamic and connected network of companies, attracting skilled workers to be a part of an exciting future.

We would move from ...



To...



Generally, a positive NPS is anything above zero, indicating that there are more *Promoters* than *Detractors*



A However, the specific threshold for what is considered a "good" score can vary. Some companies may set benchmarks where a score of 30 or higher is considered good, while others may aim for higher thresholds like 50 or even 70. It is important to establish internal benchmarks and compare the NPS score against industry averages and competitors to gain a more accurate assessment of performance.

To achieve this boost in energy, measuring and mapping the unique business perspectives within the region would highlight how best to shift the outlook to a more positive position – innovative and forward-looking, and investing in the health of the employee experience. Revenues would have greater resilience, implementation of digital and data technologies would be succeeding, and a vibrant employee value proposition would be attracting, developing, and retaining the skilled workers businesses need to have the sustained capacity for growth.

Turning to employees first is the priority for Atlantic Canadian leaders, the pressing problems being experienced have the answers within the perspectives of the workforce.

In Atlantic Canada, businesses face significant challenges in digital readiness, succession planning, an overall strategic vitality. However, focusing on employee experience can serve as the catalyst for driving improvements across these areas, enabling companies to thrive and remain competitive in the evolving market.

In the end, focusing on employee experience is the key to overcoming the challenges faced by Atlantic Canadian businesses. By prioritizing workforce satisfaction and well-being, companies can drive improvements in digital readiness, succession planning, and overall strategic vitality. It is crucial for leaders to take actions and invest in their employees, fostering a brighter future for businesses and communities across the region.





WorkInsights: We Measure the Work Environment.

Developing deeply insightful and comprehensive diagnostic and analytic tools, WorkInsights calculates the hidden strengths and threats to your business in real-time, measuring and mapping performance and employee experience to support growth.

Gone are the days of costly guesswork. With our expertise, we help you to facilitate evidence-based decision making by understanding what really stands in the way of your company's optimum performance and wellness. Thoughtful and deliberate decisions are the result.

Our passion is helping organizations to support and energize employees to work and feel their best, contributing to building meaningful futures through outcomes that matter.

We offer customized diagnostics that uncover the root causes to resolve pressing problems holding businesses back from their potential, supporting purposeful decisions to increase and maintain the long-term capacity, productivity, and resilience of organizations and sectors – for healthy growth and healthy lives. With this previously inaccessible intelligence, you can finally pinpoint and measure the sources of challenges and create a data-driven plan to foster innovation, support change, boost performance, promote health and diversity and position businesses to achieve their true potential.

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