



# The Compelling Employment Offer: *Understanding What Really Matters to Arts Professionals*



*Transforming Arts Organizations Worldwide*

## A Global Look at the Employment Value Proposition for Arts Professionals

We're excited to announce the launch of a first-of-its-kind **quantitative initiative** examining the employment-offer preferences of arts employees across genres and regions. **All ABA members are invited to participate** in this ground-breaking work as part of their membership.

This briefing provides an overview of talent challenges facing arts organizations around the world and outlines ABA's novel approach to understanding the elements of the employment offer that most matter to arts professionals. We also describe how ABA members and others can participate in the quantitative portion of the initiative.

At a time when the labor market is heating up, arts organizations have to find ways to resonate better with the needs and expectations of employees in order to build employment offers capable of competing in a tight labor market.

The Advisory Board for the Arts is using conjoint analysis (also known as trade-off) analysis in order to give arts leaders a much clearer picture of what employees want, and what they are willing to trade off in order to get it. The results of conjoint analysis gives employers map for deploying resources to create the most compelling employment offer possible using available resources.

Participants in the research initiative will receive a **customized analysis of the employment preferences of their staff**, including breakdowns based on demographic factors (e.g., ethnicity), organizational factors (e.g., department), and talent factors (e.g., tenure) if participant numbers are sufficient to support it.

We are so excited to embark on this important work and would be honored to include you as part of it. Thank you so much for your ongoing partnership with The Advisory Board for the Arts.

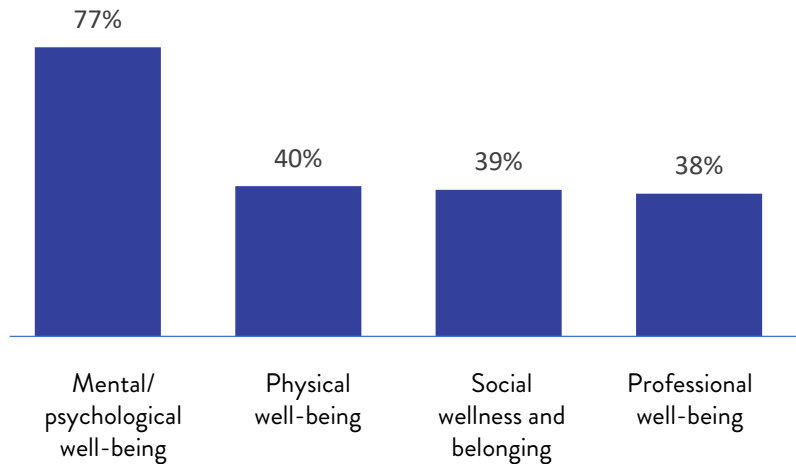


**Christopher Denby**  
*CEO and Founder*  
The Advisory Board for the Arts

## The Pandemic’s Toll on Talent

Employees are reporting that the pandemic has taken an enormous toll on their psychological wellbeing. In fact, workers are more concerned about the psychological implications of returning to work, even in the midst of a pandemic whose physical threat to their wellbeing is significant and well-known.

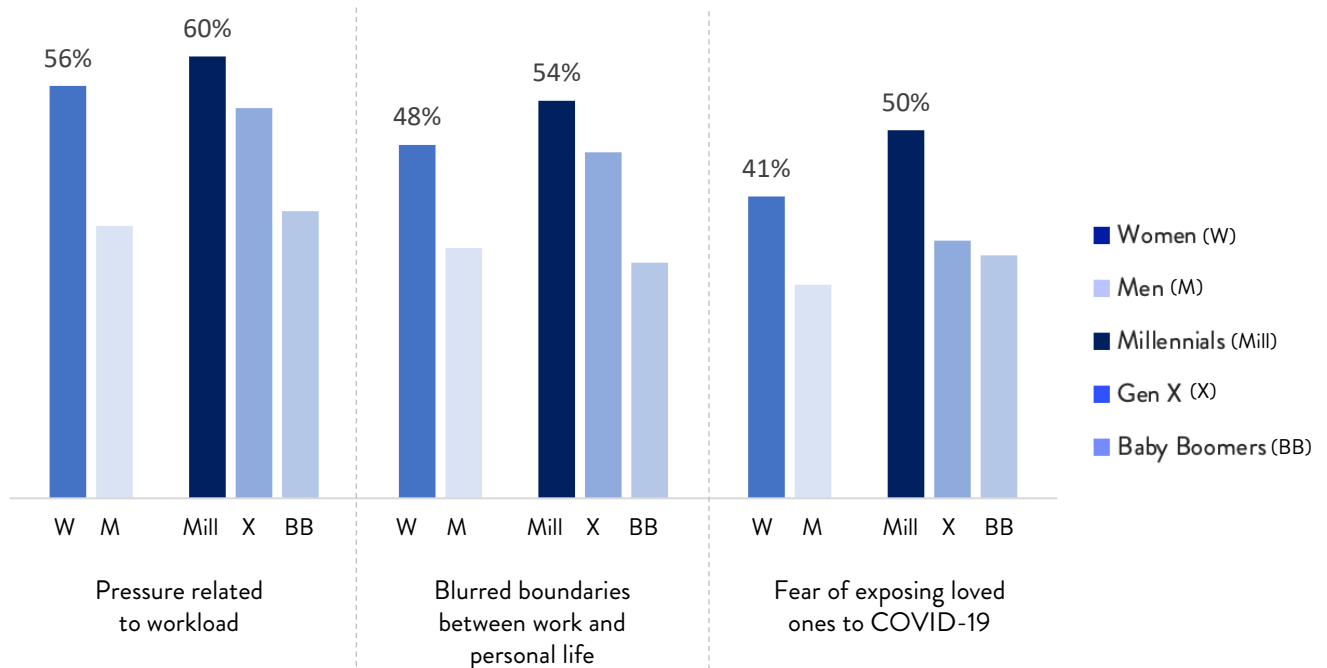
Which of the following are your top concerns regarding your well-being at work?  
[Select top three]



Source: <https://conference-board.org/press/suvey-mental-toll-october21>

The mental toll of the pandemic has not been shared equally by all. Women have been impacted disproportionately, as have younger workers..

The following challenges negatively impacted my mental health quite a bit or a great deal:

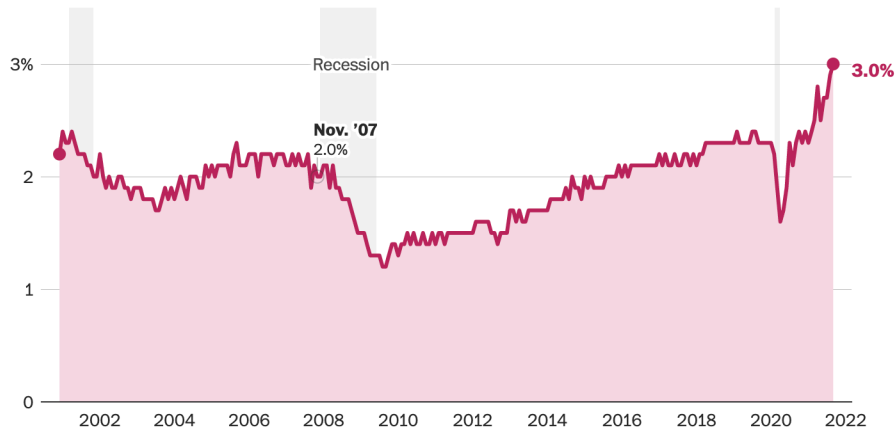


Source: <https://conference-board.org/press/suvey-mental-toll-october21>

## The Great Resignation

In part because of the mental toll of the pandemic, workers are quitting their jobs in record numbers. Three percent of the U.S. workforce (~4.4 million people) quit their jobs in September 2021 alone, setting a record and beating the August quit rate, also a record. For arts, entertainment and recreation workers, the quit rate was almost double the average—5.7 percent.

Voluntary (Non-Farm) Labor Force Quit Rate



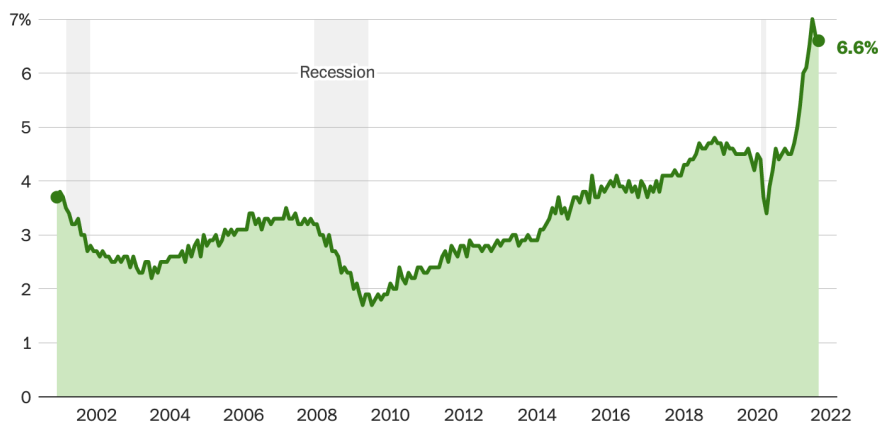
**5.7%**

Percentage of arts, entertainment and recreation workforce quitting in *September 2021 alone*.

Source: Bureau of Labor Statistics.

At the same time, job postings by companies are skyrocketing. Hiring efforts are not just about rehiring workers laid off during the pandemic. Organizations are scrambling to replace a wave of voluntary departures by workers who think they can find better offers that also fit their life-needs.

Rate of Job Postings as a Percentage of the Labor Force

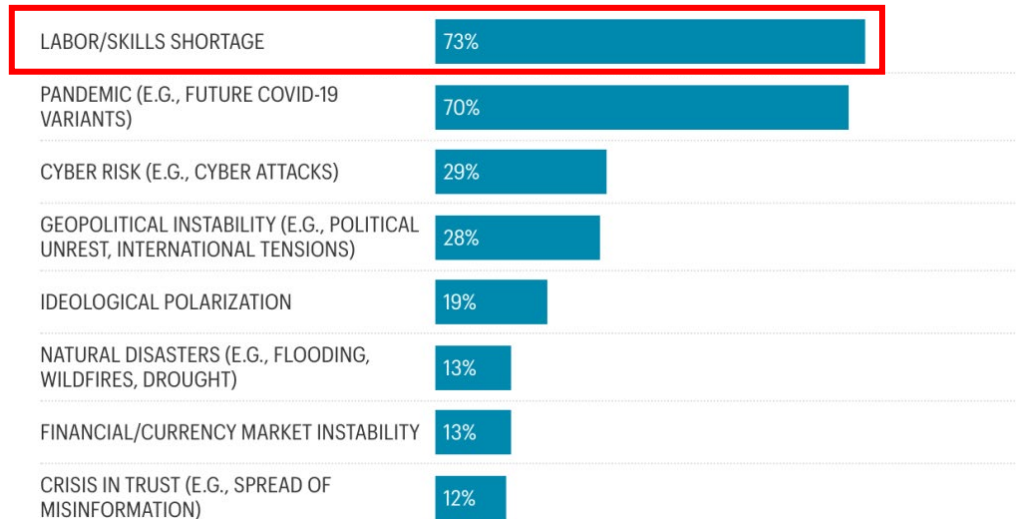


Source: Bureau of Labor Statistics.

## More Outflow Than Inflow

CEOs view labor shortages as the single biggest challenges to business success in 2021, beating even the pandemic in terms of disruptive force.

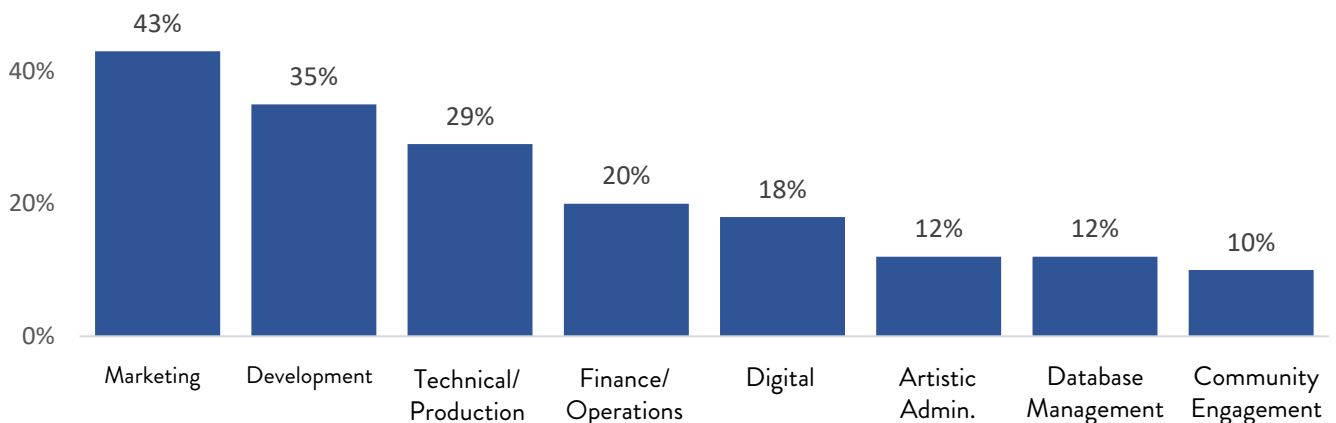
### External Issues CEOs Expect Will Disrupt Their Business in the Next 12 Months



Source: <https://fortune.com/2021/10/21/the-great-resignation-is-no-joke/>

Troublingly, arts organizations are struggling most to fill revenue-related jobs (marketing and development), a bad sign given the desperate need to rebuild income streams in the wake of complete shutdown.

### Roles Arts Organizations Are Struggling To Fill

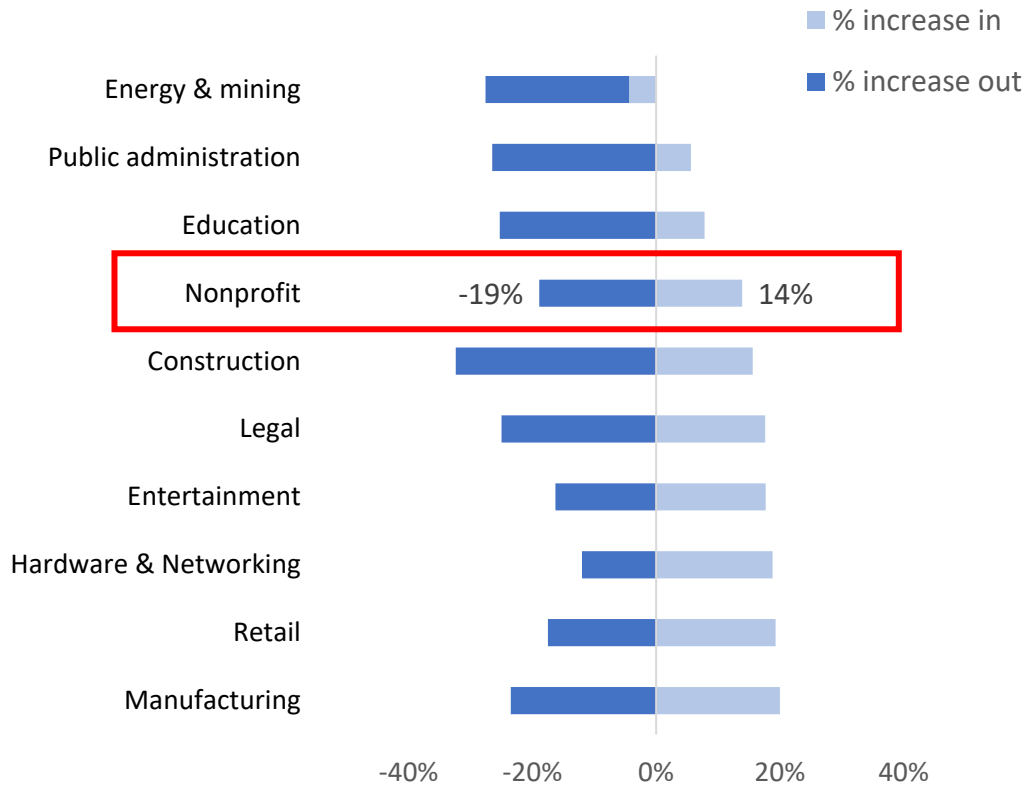


Source: ABA research.

## More Outflow Than Inflow

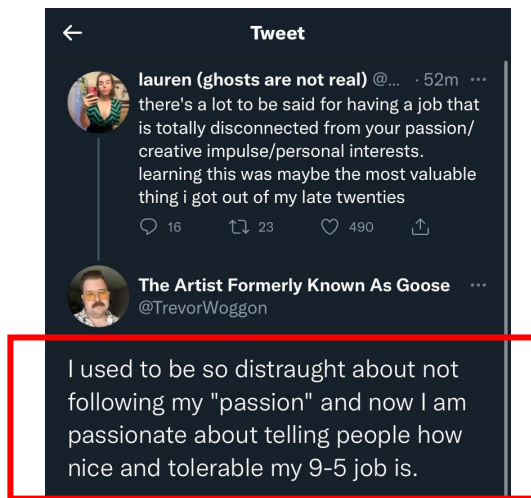
The nonprofit sector has not been a beneficiary of the Great Resignation. While one might have guessed that workers were leaving corporate jobs in favor of mission-oriented enterprises, nonprofits are experiencing a net outflow of talent.

### Industries Struggling to Attract Outsiders



Source: LinkedIn News. First jobs, student jobs, side jobs and internships not included.

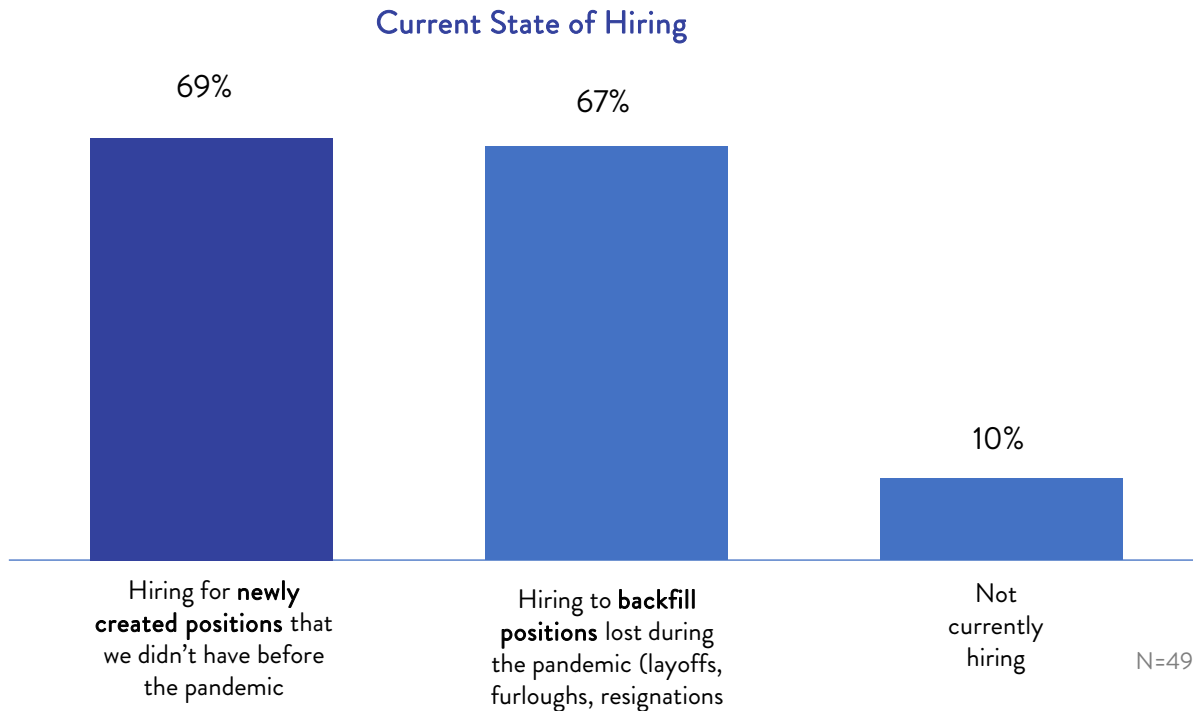
In fact, former arts workers are touting the physical and mental benefits of *not* following their passion in their jobs.



Source: Twitter.

## Hiring with a New Vision

At the same time that staff members are questioning whether they should change jobs, arts organizations are making choices about how to rebuild their organizations after the pandemic. Sixty-nine percent of respondents to a recent ABA poll indicate that they are hiring for newly created positions.



Most often, these new positions are focused on one of three things: changing the internal culture of the organization; supporting the community better; and, improving digital marketing capabilities.

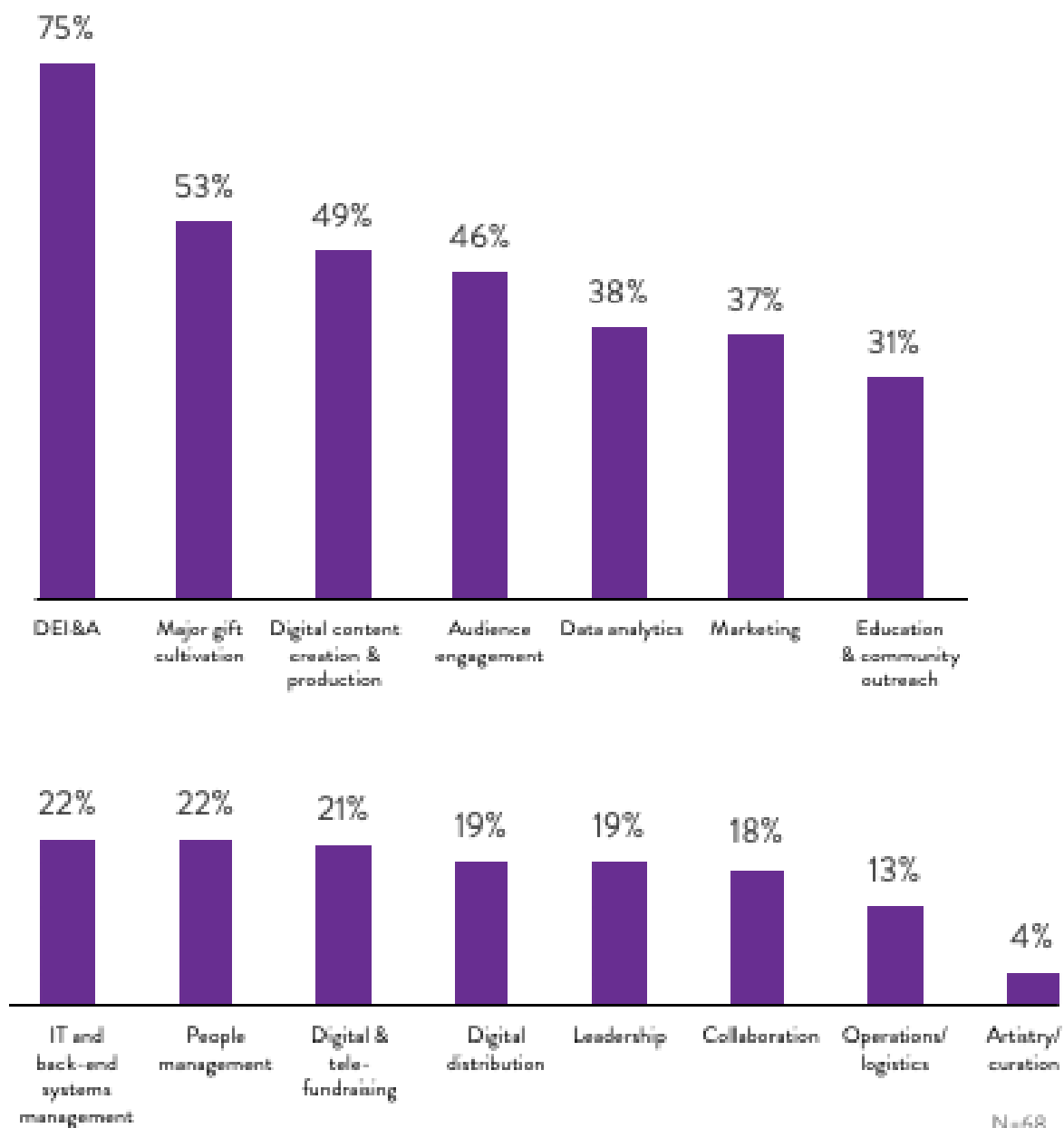
### New Roles Arts Orgs Are Planning to Create in Next 1-2 Years



## A Desire to Reshape Organizational Capabilities

Organizations are feeling the need to enhance their skill set across the board. DEI&A, digital and data-analytics capabilities are near the top of the list, as many feel as though they are “catching up” on these fronts. Given urgent revenue priorities, organizations are also feeling the need to upgrade capabilities in some traditional skill areas such as major gift cultivation, audience engagement and marketing. Arts organizations can expect a period of competitive hiring in these skill areas that are highly transferable to sectors outside the arts.

### Staff Skills/Expertise Orgs Want to Enhance in Coming Year





## The Social Contract between Employee and Employer Is Changing

The disruption in the arts labor market has likely permanently altered the employer-employee social contract. Arts organizations asked an enormous amount of staff during the pandemic, and deep staff cuts caused many to question long-held assumptions about the stability of their jobs their jobs. Coming out of the pandemic, employees are asking a set of fundamental questions about their job expectations and the value proposition the want.

On the one hand, this creates challenges for arts organizations as ‘employers.’ Employees are asking for more at just the moment when organizations need to stretch resources further to navigate the highly uncertain reopening period. On the other hand, an opportunity exists to build back our organizations with an eye toward future needs. As part of that process, it may be possible in this rebuilding moment to recalibrate our employment value propositions around our future needs.

### What Arts Organizations Needed from Employees in the Pandemic

Fluid Job  
Descriptions

Role  
Flexibility

Re-work  
and Re-  
planning

Furloughs  
and Work  
Breaks

### Fundamental Questions Employees Are Now Asking

Is our mission (still) enough to keep me engaged?

Are we living up to our stated values?

Can I advance more quickly by leaving?

Does my family need more of my time?

### What Employees Are Asking for Emerging from the Pandemic

“Walking the  
Talk” on  
DEI&A

Organizational  
Statements on  
Current Events

A Bigger Voice in  
Decision-Making

Remote Work/  
Flexible  
Schedules

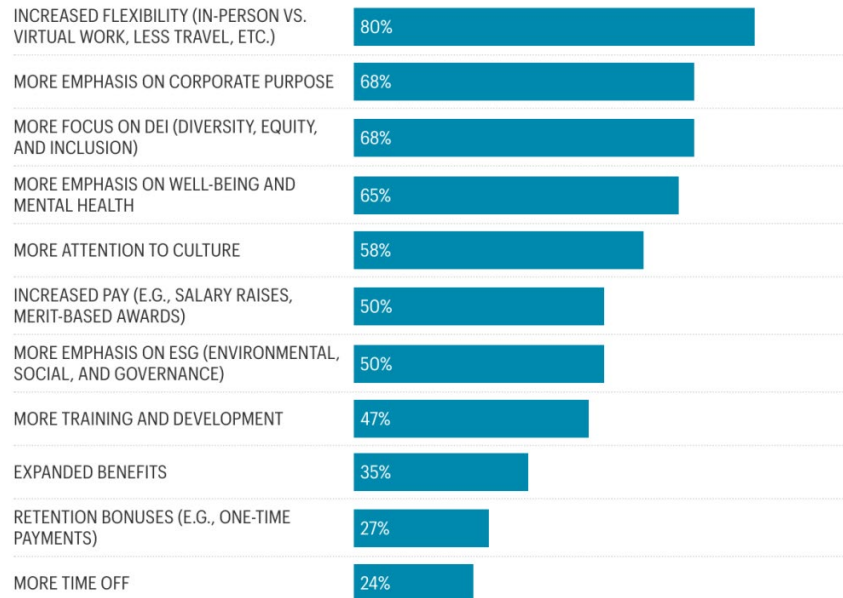
Pay Equity/  
Transparency

Fewer Hours

## Lots of Possibilities, But Limited Resources

Organizations have many tools available to shape their value propositions for employees. Below are some of the areas where CEOs have modified elements of the employment offer to attract and retain employees. For arts organizations, budgets are likely to be tight going forward, so figuring out which elements of the offer are most important to which employees is crucial.

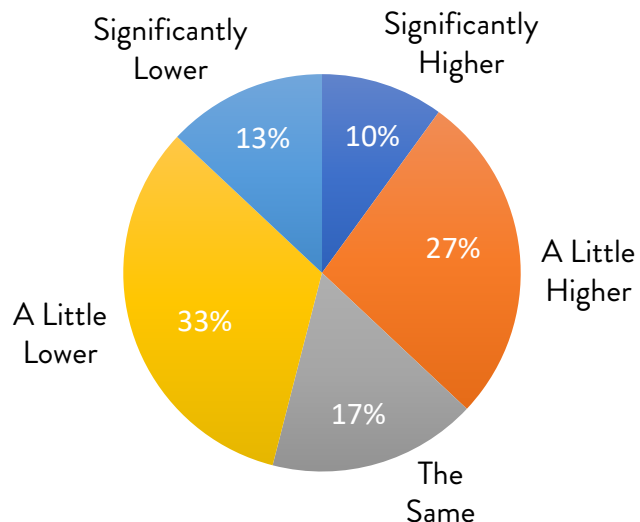
### Actions CEOs Have Taken To Strengthen Their Ability To Attract/Retain Talent (Past 12 Months)



Source: <https://fortune.com/2021/10/21/the-great-resignation-is-no-joke/>

### “How does your current fiscal year budget compare to the most recent pre-pandemic budget?”

63% of respondents have budgets the same size or smaller than the most recent pre-pandemic fiscal year



Source: ABA Research. N=62

## What’s the Best Way To Figure Out What People Care About?

Understanding what people care about in an employment offer is difficult because, using traditional techniques, it’s hard to understand how much individuals care about job elements relative to each other. Which elements do they care about the most? Which would they trade off to get other things?

In the absence of structured information gathering techniques, organizations often listen to the loudest voices, but those voices may not be representative of everyone. Focus groups are a good way to understand employee sentiment, but small-group conversations are better for testing specific concepts than understanding what people care about.

For decades, consumer-product marketers have used a research technique—called “conjoint” or “trade-off” analysis—to determine which features consumers care about and how *much* they care about them relative to other features.

Take the example below of a car manufacturer. Rather than ask about individual features, car companies ask consumers to choose between two offers. After analyzing about a dozen choices consumers make, the computer begins to understand what each consumer cares about and creates new “offers” that are harder and harder for consumers to choose between.

### Which Would You Buy?



<b>Color</b>	White		Red
<b>Power</b>	3.6 L		4.2 L
<b>Mileage</b>	35/41 MPG		27/34 MPG
<b>Trim</b>	Heated Seats		Machine-Finished Alloy Wheels
<b>Price</b>	\$21,000		\$24,000

## Applying Conjoint Techniques to the Job Value Proposition

The same “trade-off” technique that consumer brands use to understand which product features customers value can be applied to the career offer. Employers can ask employees to choose between different job offers. Over time, the computer can ‘learn’ how much employees value each element of the offer

### Example of Conjoint Analysis Applied to the Job Offer



<b>Base Pay</b>	15% increase in pay		Current pay
<b>Health Benefits</b>	Same as now		50% lower deductible
<b>Manager Quality</b>	Work for average manager		Work for “best” manager
<b>Work Challenge</b>	Somewhat less challenging work		Same work challenge as now
<b>Vacation</b>	Ten days paid leave		Twenty days paid leave
<b>Work from Home</b>	Two days per week		No work from home

For multiple rounds, the computer asks participants to choose between two job offers and uses responses to identify elements of the job offer that they consistently find to be most valuable.

Attribute/Feature	Job Offer #1	Job Offer #2
Base Pay	20% increase in pay	No increase in pay
Health Benefits	Company offers no benefits	Company offers full benefits
Manager Quality	Work for an average manager	Work for “best” manager
Work Challenge	Less challenging work	Same challenge as now
Vacation	Two weeks per year	Four weeks per year
Work from Home	2-3 days per week	No work from home

## What Conjoint Analysis Can Tell You about Your Employment Offer

Organizations that deploy conjoint analysis in order to understand staff preferences about their employment offer can answer a whole range of questions that are difficult or impossible to assess accurately using other approaches. Here are some examples of the kinds of questions conjoint analysis can help answer:

Am I overpaying to deliver things my employees don't want?

Is the value proposition valued by employees aligned with our organization's strategic direction?

What do my highest performing employees value relative to the workforce at large?

How well fit is the employment offer to the needs of employees in hardest-to-fill roles?

How much do employees value flexible hours and work-from-home relative to other elements of the job offer?

Are there particular spots in the organization where the employment offer seems especially off-kilter?

## Two Important Outcomes of Conjoint Analysis

Conjoint analysis generates two kinds of quantitative outputs that are extremely useful to anyone trying to allocate scarce resources in order to create the most perceived value for employees.

**Importance Scores** measure the relative importance that individuals place on different elements of the employment offer, making it possible to force-rank attributes of the value proposition and assess how much more individuals value certain attributes more than others.

*Example:* Which matters more to employees—changes in total hours worked per week or changes in flexibility of work hours?

**Utility Scores** measure the usefulness to an individual of different quantities of a given element of the employment offer.

*Example:* At what point do additional vacation days diminish in value to an employee?

## Understanding Differences among Groups

In addition to painting an overall picture of the employment value proposition employees want, conjoint analysis allows organizations to identify important differences in the expectations and perceptions of different employee segments. Assuming sufficient response rates, it's possible to examine differences among various employee populations, including:

### Demographic Attributes

Ethnicity

Age

Gender

### Organizational Attributes

Level

Department

Union Status

### Talent Attributes

Skill Scarcity

Performance Level

Tenure



## Case Example: Understanding Benefits at Wegmans

Here's an example of how the grocery chain Wegmans used conjoint analysis to understand how to allocate scarce benefits resource in a tight labor market. The organization used conjoint findings to maximize the perceived value by employees of its increased benefits investment .

### Situation

- Wegmans Food Markets, a New England supermarket chain, is expanding rapidly into new markets and hiring hundreds of employees.
- In association with geographic expansion, healthcare costs are skyrocketing.
- Question: How do employees relatively value different parts of the company's benefits offer.
- Action: Wegmans conducts a conjoint analysis to understand how employees value different benefits.

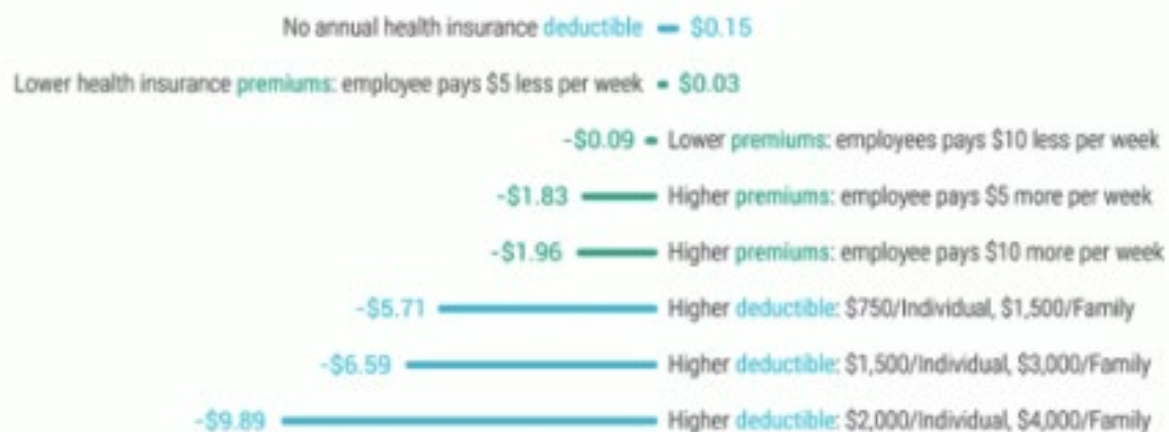
### Analysis

- Employees value health benefits as a deciding factor for both joining and staying at the company.
- Offering basic healthcare coverage to currently ineligible employees will drive significant value.
- Base pay ranks at the bottom of job-offer elements in terms of perceived employee value.
- Employees are willing to pay more per paycheck for a lower deductible.

### Key Takeaway

\$107 investment per (non-eligible) employee would cost \$1.5 million but would feel like \$32.5 million to employees.

What contributing \$1.00 feels like to employees when there is:



## Assessing Alignment between Your Employment Value Proposition and Your Strategy

In times of change, conjoint analysis can be an especially important tool for understanding the degree to which employees are aligned with the strategic direction of the organization. For example, we've heard several arts organizations express an interest in moving from a focus primarily on the execution of world-class artistic expression to a mindset that focuses more on innovation, collaboration and experimentation around audience- and community-building. In those cases, the organization might want to evolve the elements of the value proposition, as in the following example:

### What Employees Value

Artistic passion

Clear, defined roles and responsibilities

Fun, light-hearted, creative

Deliberative, planning intensive



### What We Need More Of

Culture of accountability; goal orientation

Cross-silo collaboration

Culture of innovation, experimentation

Fast paced decision making, followed by adjustment

And, if the organization is trying to make that transition, conjoint analysis can help answer the following questions:

How attached are staff to the current model?

Are there pockets of employees that embody our future direction whom I can hold up as an example?

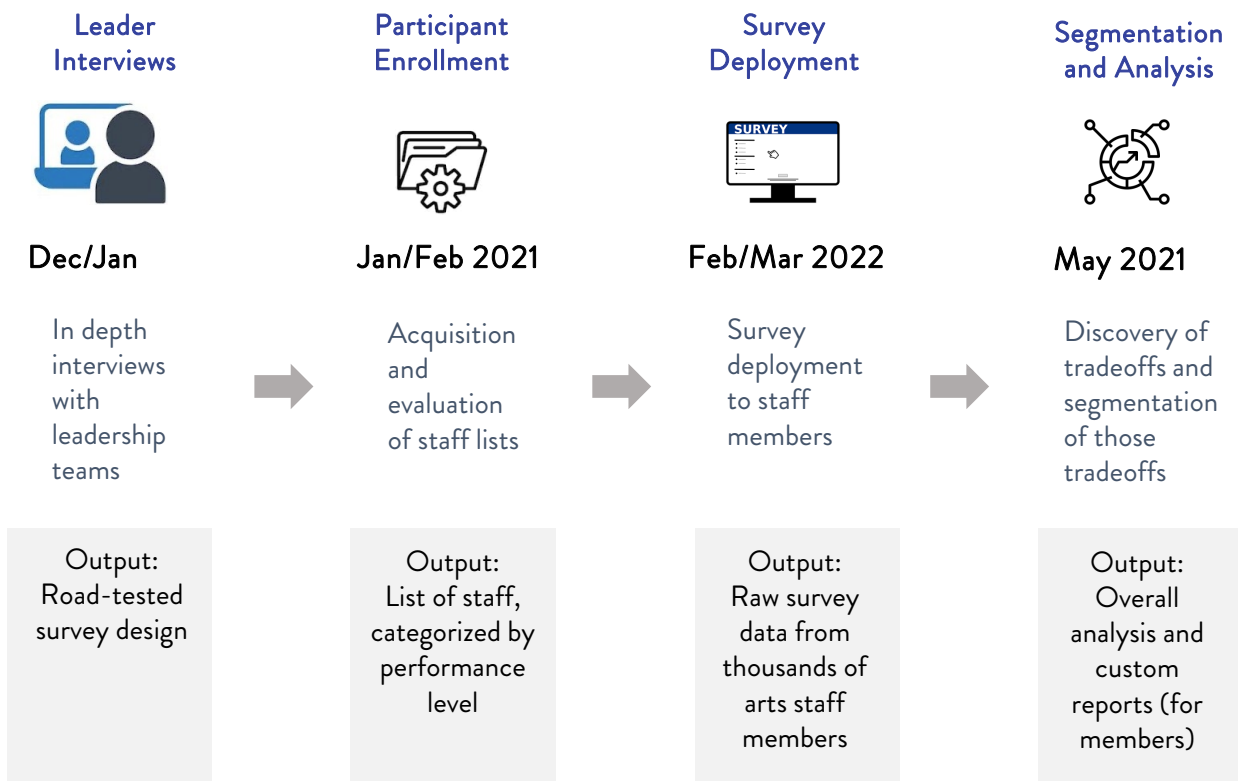
When I hire people who value the value proposition I'm trying to build, how can I prepare the for the organization that exists today?



## Overview of the Research Initiative

The Advisory Board for the Arts has already kicked off the scoping phase of our conjoint research focused on the arts employment value proposition. The timeline for the quantitative phase of our career offer work is presented below. In tandem with the quantitative effort, we will undertake qualitative research to identify approaches and tactics for attracting and retaining talent in a tight labor market.

### Timeline of Quantitative Phase



## Attributes of the Employment Value Proposition

When taking the survey, participating staff will be asked several times to choose between two employment “offers” that include attributes such as those you see on this page. Each of these attributes is divided into a set of “levels” or “flavors” so that survey participants will be able to see how the offers they’re choosing between are different from their current employment offer. You can see an example of the levels for “total work hours” in the red box below. And, in the dark blue box at the bottom of the page, you can see how the levels for various attributes are combined into “offers” that are comparable.

### Compensation and Benefits

- Base pay
- Parity—industry pay standards
- Parity—non-industry pay standards
- Health benefits
- Retirement benefits
- Co-pay/Deductible size

### Work-Life Balance

- Work location
- Schedule flexibility
- Child care
- Total work hours
- Vacation/time off

### Diversity, Equity & Inclusion

- Diversity of employees
- Diversity of leadership team
- Artist diversity
- Audience diversity
- Access to new internal opportunities
- Authentic self at work
- Equitable recognition
- Equitable pay
- Anti-racism policies
- DE&I training quality
- Adherence to public DE&I commitments

### Organizational Environment

- Fit with industry
- Risk taking
- Senior-team reputation
- Artistic reputation
- Brand reputation
- Commitment to purpose/mission
- Transparent communications
- Collaborative culture
- Management stability
- Financial stability
- Confidence in strategic direction
- Confidence in leadership team
- Culture of accountability

### Work Environment

- Manager quality/reputation
- Co-worker quality
- Empowerment
- Role clarity
- Work challenge
- Importance of work
- Workload manageability
- Amount of responsibility
- Recognition
- Exposure to artists
- Development opportunity
- Development support
- Technology support

20% fewer hours than you currently work

10% fewer hours than you currently work

The same number of hours that you currently work

10% more hours than you currently work

20% more hours than you currently work

Attribute/Feature	Job Offer #1	Job Offer #2
Base Pay	20% increase in pay	No increase in pay
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## How To Participate

Participation in the Compelling Offer conjoint survey is easy and open to all members at no charge. Other organizations can participate at no charge, but back end analysis will be limited and non-members are not invited to participate in virtual and in-person meetings to engage with the findings.

We will contact participating organizations to collect names and contact information for your staff. We'll also work with you to identify high performing staff which will be very important in the analysis phase.

All participants will get a copy of the research findings. ABA members will receive custom reports detailing their organization, including a difference-analysis among employees based on demographic factors (e.g., ethnicity), organizational factors (e.g., department), and talent factors (e.g., tenure).

If you would like to participate or if you would like more information to inform your decision, please feel free to reach out to your ABA Member Advisor or to Diana Wang on our research team on [diana.wang@advisoryboardarts.com](mailto:diana.wang@advisoryboardarts.com).

## Participation Steps

- 1 Tell your ABA member advisor you are interested.\*
- 2 Pull staff list and contact information.
- 3 Identify a convenient survey-launch date.
- 4 Email staff members the survey link.

\* Or contact [diana.wang@advisoryarts.com](mailto:diana.wang@advisoryarts.com) directly to get started.