

IMPROVING EMPLOYEE RETENTION IN CULTURAL INDUSTRIES.

*Case Studies of Ontario's Book Publishing
and Interactive Digital Media Industries*

June 2020

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About WorkInCulture

WorkInCulture (WIC) is a non-profit arts service organization that supports the people who work in the cultural sector in Ontario through life-long career development and entrepreneurial and business skills training. Specifically, WIC is recognized for its Job Board and for connecting employers to artists, creatives and cultural workers, though WorkInCulture is not just the Job Board!

In partnership with sector leaders and funders, WorkInCulture develops and delivers diversified learning opportunities for artists, creative entrepreneurs and arts administrators from all creative disciplines and at all stages of their careers.

WorkInCulture is committed to implementing inclusive programming through its Creative Boost and WorkSmarts workshops and webinars, eLearning modules, Creative Works Conference, mentorship programs, professional development activities, and free resources found on its website.

About the authors

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Table of Contents

<i>Executive Summary</i>	4
<i>Introduction</i>	6
<i>Methodology</i>	6
<i>Scope</i>	7
<i>What Makes the Creative Industries Unique?</i>	8
<i>What Do Creative Workers Want?</i>	10
<i>Review of Academic Literature</i>	11
Maslow’s Hierarchy of Needs	11
Herzberg’s Two Factor Motivation Theory.....	12
Theory X and Theory Y.....	13
Vroom’s Expectancy Theory	14
Job Embeddedness Theory	15
Job Crafting.....	16
Self-Determination Theory	17
Pink’s Autonomy, Mastery and Purpose Framework.....	18
<i>Review of Popular & General Business Literature</i>	19
What does this literature tell us about workers?	20
What kinds of retention tactics are other companies using?	22
Onboarding.....	23
Providing Pathways to Advancement	24
Organizational culture	24
The use of ‘perks’.....	27
Diversity & inclusion.....	28
What do cultural workers want?	31
<i>Interviews with 10 Ontario-based Creative Industry Companies</i>	33
General Observations: what are companies currently doing?	33
Why are people leaving?	37
Other Observations	38
<i>Areas for Further Exploration: Potential Best Practices</i>	39
<i>Appendix – Interview Framework</i>	41

Executive Summary

Talent, and how to manage it, is a critical concern for all companies and organizations. For creative industry companies, getting hiring *right* is a critical consideration in an environment characterized by scarce resources and increased competition. While hiring is often at the forefront of discussions about access to talent across the creative industries, the ability of companies to retain and grow their employees and overall talent pool is critical to building sustainable and successful businesses.

There is a distinct gap in available data when it comes to information that can relate specifically to the unique nature of creative industry workplaces and organizations. While there is often some level of transferability from the existing literature, as this report will showcase, the unique nature of creative industry workplaces offers an additional level of complexity when it comes to importing solutions that may come from entirely different sectors with entirely different scales of operations.

This report aims to collect insights that can assist companies in Ontario's creative industries to better manage their talent pool, chiefly through measures that target improving employee retention. Specifically, in this report, we focused on Ontario's book publishing and interactive digital media companies and workspaces because of some of the unique characteristics of their workplaces, and because we feel that the comparison between the two groups is useful. This work was conducted through a thorough literature review of academic and business literature, as well as interviews with 10 creative media industry companies from the book publishing and interactive digital media sectors.

Given the small sample size, the purpose of this report was to develop recommendations for further research and exploration for creative media industry companies from across the sector as they grapple with how to attract, retain and grow their talent. These are:

1. **Define, measure and adapt:** Use evidence to build strong talent management practices – including assessing existing data about your workforce, uncovering missing data, and adjusting tactics based on the unique needs of the specific workforce.
2. **Build stronger linkages with the post-secondary pipeline:** Most companies in our sample rely on talent from post-secondary institutions in Ontario, and given the importance of this pipeline, strengthening it so it matches industry needs is critical.

3. **Utilize third-party expertise to fill the gaps:** Particularly in areas of equity & inclusion, hiring outside experts to assess the current state of affairs and provide expert direction on improvements to talent management is an area of promising practice for companies.

Introduction

Talent, and how to manage it, is a critical concern for all companies and organizations. For creative industry companies, getting hiring *right* is a critical consideration in an environment characterized by scarce resources and increased competition. While hiring is often at the forefront of discussions about access to talent across the creative industries, the ability of companies to retain and grow their employees and overall talent pool is critical to building sustainable and successful businesses.

While there is a wealth of data available about the various approaches, strategies and tools that can be deployed to improve retention, there is a gap when it comes to information that can relate specifically to the unique nature of creative industry workplaces and organizations. While there is often some level of transferability from the existing literature, as this report will showcase, the unique nature of creative industry workplaces offers an additional level of complexity when it comes to importing solutions that may come from entirely different sectors with entirely different scales of operations.

At WorkInCulture, we are committed to providing Ontario's creative community with actionable, practical data and insights that can help them reach their goals. With this report, we are committed to addressing a critical knowledge gap about retention in Ontario's creative industry sectors, as well as contributing to the building of knowledge about potentially promising interventions that Ontario's creative industry companies can deploy to improve their ability to retain key talent.

Methodology

In this report, we review two types of sources, both qualitative in nature:

1. A comprehensive **literature review** which included the review of academic literature, existing relevant studies from the creative and/or cultural sector, as well as generalist/business literature from popular sources. The goal of the literature review component was twofold: (1) to deepen understanding of the common theories that explain employee motivation and inform retention strategies; and (2) to highlight

potentially applicable best practices and other types of tools, policies and frameworks that might prove promising to creative industry companies.

2. **Interviews** were conducted with a total of ten (10) creative industry companies, drawn from the book publishing and interactive digital media industries. See below for information on why these two sectors were selected.

For the interview process, we engaged a consultant, Kris Erickson, to assist with both framework development and interviewing. We also relied on the generous input and assistance of the Association of Canadian Publishers and Interactive Ontario in terms of helping us connect with some of their member companies.

Scope

As indicated above, this report aims to develop actionable business intelligence that can assist companies in Ontario's creative industries to better manage their talent pool, chiefly through measures that target improving employee retention. Specifically, in this report, we focused on Ontario's book publishing and interactive digital media companies and workspaces because of some of the unique characteristics of their workplaces, and because we feel that the comparison between the two groups is useful.

For example, we expect that in the book publishing industry – which is more of a 'legacy' industry – we will find more formal organizational structures in place. For its part, the interactive digital media sector is often considered to be more on the 'emerging' spectrum, and with that start-up spirit in mind, we expect that we may see more fluid structures and organizational models. However, we would like to specifically point out that both sectors have been making significant public strides towards improving the relative diversity and representation within their workforces, which we feel is also an important element in retention.

What Makes the Creative Industries Unique?

A critical underpinning of this research work is the idea that creative industry workplaces (and workers) are sufficiently differentiated from workspaces or workers in other, non-creative sectors. It is worth noting that the majority of the literature – particularly the generalist/popular literature on business from sources like LinkedIn or Deloitte – is targeted toward the types of large, highly structured companies or organizational structures that are rarely found in the creative industries.

For instance, a significant amount of the literature around implementation of best practices or retention strategies is built around the assumption that the organization has a human resources department at its disposal. As we know from WorkInCulture's recent labour market insights report, *MakingItWork*¹, that is a rarity across the sector. In fact, one in seven organizations surveyed for *MakingItWork* had no formalized or structured approach to human resources issues.² This is unsurprising when you consider that most of the businesses or companies in the sector operate as small businesses, which are often more likely to have flat organizational structures and lack formal capacity or professionals devoted exclusively to human resources activities.

With 127,340 workers, the creative industries comprise almost 70% of the overall cultural workforce in Ontario.³ The data collected through *MakingItWork* provides an opportunity to highlight some of the critical elements of the creative industry workforce.

Here is what *MakingItWork* tells us about Ontario's creative industry workforce:⁴

- The majority (82%) of creative industry workers in the sector live in large urban areas, defined as cities with populations over 500,000.⁵
- The sector, on average, is younger than other segments of Ontario's economy, with 77% of the sector between the ages of 25-54.⁶

¹ WorkInCulture, *MakingItWork: Pathways Toward Sustainable Cultural Careers*

² Note: this figure refers to the full sample of *MakingItWork*, which includes the arts, heritage and library sectors as well as the cultural industries.

³ WorkInCulture, *MakingItWork, Pathways Toward Sustainable Cultural Careers*

⁴ Note: this data set includes design industries as a component of the creative industry workforce.

⁵ *ibid*

⁶ *ibid*

- The sector demographics skew male (64%), and feature less diversity than the arts sector as a whole, with only 29% of workers identified as immigrants, and 6% newcomers.⁷ In this context, the arts sector refers to individuals and organizations operating in the following disciplines: visual arts & crafts, performing and literary arts, where the creative industries refer to digital media, design & advertising, film & television, book & magazine publishing, and music recording & publishing.
- As a whole, creative industry workers are highly educated, with 45% having at least some form of post-secondary credential (bachelor's degree at least).⁸

In terms of the specific population discussed in this analysis, we would like to highlight the following about Ontario's book publishing industry:

- Recent research conducted by the Association of Canadian Publishers in 2018 suggests that 78% of Canadian, English-language publishers employ fewer than 10 employees.⁹
- According to *MakingItWork*, the book and magazine publishing sector accounts for 19,335 jobs in Ontario.¹⁰

Available data about the composition of the interactive digital media industry in Ontario suggests that:

- From research undertaken by Interactive Ontario, a large majority (84%) of these companies employ fewer than 20 people, and almost half (49%) employ fewer than 5 people.¹¹
- The sector accounts for 66,805 jobs, according to *MakingItWork*.¹²

With this demographic portrait in mind, it becomes clear that understanding how these small companies can best retain and develop their talent becomes a critical component of running a successful business. Moreover, the costs associated with retaining talent can be staggering. A recent report published by the Toronto Region Board of Trade, United Way Greater Toronto,

⁷ ibid

⁸ ibid

⁹ Association of Canadian Publishers, *The Canadian English-Language Book Publishing Industry Profile*, July 2018, <https://publishers.ca/wp-content/uploads/2018/11/Book-Publishing-Industry-Profile-FINAL.pdf>

¹⁰ WorkInCulture, *MakingItWork*, 2019

¹¹ Interactive Ontario, *Measuring Success: The Impact of the Interactive Digital Media Sector in Ontario*, May 2019, <https://interactiveontario.com/wp-content/uploads/2019/05/Measuring-Success-2019-Report-ENGLISH-1.pdf>

¹² ibid

and the Metcalf Foundation estimates that it costs 30-50% of an entry-level employee's salary to replace them, and that figure climbs to 150% for a mid-level employee, and 400% for a high-level or highly specialized employee.¹³ This cost figure is an attempt at accounting for all of the costs borne by an employer as they deal with employee turnover, including the costs associated with interviewing, the hiring process, training, as well as reduced productivity and lost opportunity costs.¹⁴

What Do Creative Workers Want?

Now that we know a bit more about Ontario's creative industry sector in aggregate, it is important to highlight that perspectives on retention should also include a deepened understanding of what the talent (in this case, creative workers) want from their employment. While certainly compensation is critical to employee happiness, it is important to note that it is not the sole determining factor. In *MakingItWork*, 73% of respondents identified compensation as a core issue or concern for them, but it was closely followed by work/life balance (60%) and employment stability (50%).¹⁵ Moreover, *MakingItWork* also suggests that "awareness of the value of cultural and artistic products and services" form a key concern for the creative workers who participated in the roundtables. While in some ways this is a particularly poignant concern for creative workers, we recognize that finding meaning in one's work is widely understood to be a critical factor in building the conditions for improved employee happiness.¹⁶

¹³ Toronto Region Board of Trade, United Way Greater Toronto, Metcalf Foundation, *Help Wanted: Modernizing Employment and Skills Training Services in Ontario*

¹⁴ *ibid*

¹⁵ WorkInCulture, *MakingItWork*, 2019

¹⁶ Shawn Anchor, Andrew Reece, Gabriella Rosen Kellerman, Alexi Robichaux, "9 out of 10 People Are Willing to Earn Less Money to Do More Meaningful Work", *Harvard Business Review*, November 6, 2018, <https://hbr.org/2018/11/9-out-of-10-people-are-willing-to-earn-less-money-to-do-more-meaningful-work>

Review of Academic Literature

The academic literature on talent management and retention is valuable when it comes to understanding the underpinnings of human motivation as it relates to the workplace.

Understanding why individuals choose to stay or leave certain jobs, or what they value from their employment, is an important filter to understand both how retention strategies can be implemented, and how they work in practice.

The following is not intended to be an exhaustive examination of human motivation as it applies to workforce organizational thinking, but instead a synopsis of the major theories that attempt to explain human behaviour in the workplace.

Maslow's Hierarchy of Needs

First proposed by Abraham Maslow in 1943, Maslow's Hierarchy of Needs is one of the seminal theories of human motivation, and has popularized the way that we think about the 5 basic needs.



The bottom portion of the pyramid is devoted to what can be referred to as basic needs, which are: physiological (ex: food, water) and safety (ex: security).¹⁷ Moving up the pyramid, the next section includes psychological needs like belonging and love (ex: intimate social needs) and self-esteem (ex: feelings of accomplishment).¹⁸ Finally, the peak of the pyramid is focused around more intangible needs

¹⁷ Saul McLeod, Maslow's Hierarchy of Needs, *Simply Psychology*, updated in 2018, <https://www.simplypsychology.org/maslow.html>

¹⁸ *ibid*

of self-actualization (ex: the feeling that one is achieving their full potential).¹⁹

The central tenet of Maslow's Hierarchy of Needs is that individuals need to satisfy their basic needs (the physiological and safety needs) before they can realize gains in their psychological, esteem or self-actualization needs.²⁰ A simplistic interpretation of this within the context of workplace dynamics would be that an employee will be primarily concerned with compensation (which allows them to meet their basic needs) before turning their attention to their higher-level psychological, esteem or self-actualization needs. However, as Maslow refined his theory, he eventually came to the conclusion that this process was not necessarily linear – people, and employees can, and do, care about all these elements at various times. Thus, motivation in the workplace includes the need to ensure that basic needs are being met, but also includes how well employees perceive their ability to derive meaningful relationships (psychological needs), develop a sense of purpose about their work (esteem) and believe that their individual contributions are meaningful and that they have opportunities for further growth, learning and development (self-actualization).²¹

Herzberg's Two Factor Motivation Theory

Herzberg's Two Factor Motivation Theory (also known as the motivator-hygiene theory) was developed by Frederick Herzberg in 1959.²² This theory is premised on the belief that there are certain factors that can motivate employees and that, conversely, there are factors that can have a de-motivating effect on employees. The factors that are considered to be part of encouraging employee motivation and productivity are called 'motivators', while the factors that can bring about dissatisfaction are referred to as 'hygiene' factors.

In this theory, hygiene factors are considered to be essential to employee motivation in the workplace, but may not necessarily cause or lead to positive satisfaction over the long-term.²³ However, if these factors are absent, they can result in dissatisfaction.²⁴ Hygiene factors can be

¹⁹ ibid

²⁰ Steve Smith, "How Maslow's Hierarchy of Needs Influences Employee Engagement", HR Zone, April 2014, <https://www.hrzone.com/community/blogs/steve-smith-0/how-maslows-hierarchy-of-needs-influences-employee-engagement>

²¹ HR Zone, 2014

²² Management Study Guide, Herzberg's Two-Factor Theory of Motivation, <https://www.managementstudyguide.com/herzbergs-theory-motivation.htm>

²³ ibid

²⁴ ibid

things like: compensation, company policies (including administrative policies), fringe benefits, physical working conditions, status and interpersonal relationships.²⁵

On the other hand, motivation factors are the ones that are linked to positive levels of satisfaction. These factors are considered to be factors that are more closely linked to the work itself, and are intricately connected to job performance.²⁶ Examples of motivational factors include: recognition, sense of achievement, growth and advancement opportunities, responsibility and meaningfulness of the work itself.²⁷

Moreover, this theory is also underpinned by a critical belief: organizations should motivate their employees by adopting a significantly more democratic approach to management, and by improving the content and nature of the actual job through job enlargement (expanding the variety of tasks in a role to make the work more interesting) or through job enrichment (employees given a wider range of more complex and challenging tasks).²⁸

Theory X and Theory Y

Theory X and Theory Y are dual theories of human motivation that were originally put forth by Douglas McGregor in 1960 in his seminal book *The Human Side of Enterprise*.²⁹ Theories X and Y provide differing perspectives on how managers view their employees, and in response, how these perceptions impact management styles.

Theory X is largely considered to be the more 'authoritarian' approach to management, and is based on the assumption that employees are naturally unmotivated, and only tend to work under threat of punishment.³⁰ The emphasis here, for managers, is on productivity, and because of the assumptions around employee motivations noted above, the management style required to turn de-motivated employees into productive workers is a system of rigid control and

²⁵ ibid

²⁶ ibid

²⁷ ibid

²⁸ Sandhya and Kumar, 2011

²⁹ MindTools, Theory X and Theory Y: Understanding People's Motivations, https://www.mindtools.com/pages/article/newLDR_74.htm

³⁰ Sandhya and Kumar, 2011

monitoring of behaviors.³¹ Theory X is the management style that most accurately described the business environment of the first few decades of the 20th century.³²

On the other hand, Theory Y is a far more optimistic view of employee motivation. In this model, employees are assumed to be significantly more self-motivated, enjoy taking ownership of their work, view work as fulfilling and challenging, and are interested in solving problems and being involved in decision-making.³³ In turn, managers operating under Theory Y utilize a more decentralized, participative management style that emphasizes building collaborative and trust-based relationships between employees and management.³⁴ In McGregor's opinion, Theory Y was preferable to Theory X in terms of generating productivity, as its approach has a higher potential to motivate workers towards higher levels of achievement.³⁵

Vroom's Expectancy Theory

Vroom's Expectancy Theory is an organizational behavior theory proposed by Victor Vroom in 1964. The underlying assumption underpinning this work is that human behavior is a result of conscious choices being made to either maximize pleasure or minimize pain.³⁶ Essentially, Vroom's Expectancy Theory suggests that the relationship between at-work behavior and individual-level goals are based primarily on individual factors like personality, knowledge, skills, experience and abilities.³⁷ In this theory, humans/workers are motivated by the unique ways that their valence, expectancy and instrumentality manifest and interact. ³⁸

In this model, these concepts can be understood as:

- Valence: The emotional orientations that individuals have with respect to their categorization of extrinsic or intrinsic rewards. ³⁹

³¹ Mohamed and Nor, 2013

³² ibid

³³ MindTools, https://www.mindtools.com/pages/article/newLDR_74.htm

³⁴ ibid

³⁵ Mohamed and Nor, 2013

³⁶ University of Cambridge IfM, Vroom's Expectancy Theory, <https://www.ifm.eng.cam.ac.uk/research/dstools/vrooms-expectancy-theory/>

³⁷ ibid

³⁸ ibid

³⁹ ibid

- Expectancy: The varying expectations that employees have about their own expectations and levels of confidence with regard to what they are doing at work.⁴⁰
- Instrumentality: The confidence level and/or perception of employees that managers will deliver on what has been promised.⁴¹

Job Embeddedness Theory

Developed by Brooks C. Holtom, Terence R. Mitchell and Thomas W. Lee in 2006, job embeddedness theory is a relatively newer contribution to the literature around organizational behavior. In job embeddedness, a worker's decision to remain at a job is determined by a broad set of influences, including what are described in the literature as 'on-the-job' factors like bonds with coworkers, the 'fit' between the job and individual skills, as well as 'off-the-job' factors like personal, familial and community commitments.⁴² The deeper the connections between the employee, their job, and these sets of factors, the more 'embedded' an employee is in their role. This has implications for retention, with research suggesting that job embeddedness is a stronger predictor of phenomena like attendance, retention and performance than other theories.⁴³

There are three critical dimensions to the job embeddedness theory:

- **Fit:** the perception of compatibility that the employee has with their organization/company, and their overall work environment. Within this theory, the better the perceived 'fit', the deeper the ties between the employee and its employer.⁴⁴ In practice, as will be demonstrated within the interview data, fit can be a double-edged sword.

⁴⁰ ibid

⁴¹ ibid

⁴² Brooks C. Holtom, Terence R. Mitchell, Thomas W. Lee, "Increasing human and social capital by applying job embeddedness theory", *Organizational Dynamics*, 2006, 35:4, <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.496.9217&rep=rep1&type=pdf>

⁴³ ibid

⁴⁴ ibid

- **Links:** these are the formal and informal connections between employees and employers. Similar to fit, the greater and deeper the links between employers and their employees, the more an employee is tied to an organization.⁴⁵
- **Sacrifice:** this refers to the perceived opportunity cost that would be suffered if an individual left their employment. The more that an employee has to lose by leaving a job, the less likely they are to do so.⁴⁶

Job Crafting

There is an emerging and growing body of literature around the phenomenon of job crafting, pioneered by Jane Dutton and Amy Wrzesniewski in the early 2000s. In many ways, the literature surrounding job crafting is a significant break from the broader organizational development body of literature (and many of the theories presented in this review). The source of this divergence is in the fact that most traditional literature on organizations (and employee motivation) minimizes the role that employees play in actively shaping both the tasks and relationships that are integral to their jobs.⁴⁷

Job crafting can be understood as the set of physical and cognitive changes that individuals can make in either the tasks or relational boundaries of their work.⁴⁸ In terms of conditions, the model specifies that individual motivations are responsible for sparking job crafting, that some complicating factors include the existing opportunities to engage in job crafting activities, and that, in reality, there are both organizational and individual effects.⁴⁹ Generally speaking, employees engage in the activity of job crafting in order to assert control over their jobs (which is understood as a way to avoid alienation), to create a positive self-image about their work, and to fulfill a basic need for connection.⁵⁰ In short, the research to-date suggests that employees being able to redefine and reimagine the tasks and relationships associated with their work can

⁴⁵ ibid

⁴⁶ ibid

⁴⁷ Amy Wrzesniewski, Jane E. Dutton, Crafting a Job: Revisioning Employees as active crafters of their work, *Academy of Management Review*, 2001, 26:2.

⁴⁸ ibid

⁴⁹ ibid

⁵⁰ ibid

contribute to making their work feel meaningful, which can lead to generally (but not exclusively) positive outcomes for individuals and organizations.⁵¹

Job crafting is an iterative, continuous process of redrawing the boundaries of a job, and is largely understood as some combination of the following techniques:

- Changing tasks: altering the set of responsibilities prescribed by the formal job description.⁵²
- Relational changes: altering the social relationships associated with a job, including altering the frequency, nature and depth of relationships required to complete job tasks.⁵³
- Cognitive changes: altering the internal perceptions of the job, including tasks and relationships.⁵⁴

Self-Determination Theory

Self-determination theory, developed by Edward Deci and Richard Ryan, is a theory of motivation that focuses on types of motivations, as opposed to the relative amount of motivation.⁵⁵ This is based on the argument that the type or quality of an individual's motivation is a better predictor of health and wellbeing, performance, as well as their ability to problem-solve and learn.⁵⁶

The theory proposes that humans have three innate psychological needs:

- Competence: this refers to the person's ability to succeed at "optimally challenging" tasks and meeting their desired outcomes.⁵⁷
- Autonomy: this refers to the need to feel ownership in and control of one's own choices and actions.⁵⁸

⁵¹ J.M. Berg, J.E. Dutton, A.A. Wrzesniewski, in *Purpose and Meaning in the Workplace*, 2013

⁵² *ibid*

⁵³ *ibid*

⁵⁴ *ibid*

⁵⁵ Edward L. Deci and Richard M. Ryan, Self-Determination Theory: A Macrotheory of Human Motivation, Development and Health, *Canadian Psychology*, 2008, Vol. 49, No. 3.

⁵⁶ *ibid*

⁵⁷ Paul P. Baard, Edward L. Deci, Richard M. Ryan, Intrinsic Need Satisfaction: A Motivational Basis of Performance and Well-Being in Two Work Settings, *Journal of Applied Social Psychology*, 2004, Vol. 34, No. 10.

⁵⁸ *ibid*

- Relatedness: this refers to the ability to build relationships and mutual respect with others.

The theory itself suggests that the ability to satisfy all three of these domains will facilitate motivation and subsequent functioning, while the inability to satisfy these domains undermines motivation.⁵⁹

Pink's Autonomy, Mastery and Purpose Framework

Finally, a key theory of understanding human behavior and motivation comes from Daniel Pink, who built his theory based on the work of Harlow and Deci (1971). In Pink's theory, intrinsic motivation is far more powerful than the typical carrot-or-stick approaches to motivation, particularly when it comes to modern workplaces.⁶⁰ In Pink's theory, intrinsic motivation can be understood via its three factors:

- Autonomy: the need for an individual to control their own life and work. It is understood that motivation increases alongside the level of control over what, when, who, and how you do something.⁶¹ In the workplace, autonomy has important positive benefits: it can allow for the space to think creatively and try new ideas and approaches.
- Mastery: this is the need to improve or perfect a skill. Within Pink's theory, this is a key element of motivation in particular for those who view their potential as unlimited, and who are committed to ongoing learning and development.⁶²
- Purpose: this is considered to be a proxy for meaningfulness: in Pink's theory, demotivation is often caused by a lack of being able to understand or invest in the "bigger picture".⁶³

⁵⁹ ibid

⁶⁰ MindTools.com, Pink's Autonomy, Mastery and Purpose Framework: Encouraging Self-Motivation, <https://www.mindtools.com/pages/article/autonomy-mastery-purpose.htm>

⁶¹ ibid

⁶² ibid

⁶³ ibid

Key Takeaways:

- A critical part of understanding why employees stay in (or leave) a job requires an understanding of what drives motivation.
- Academic theories, taken from fields like psychology, can provide a helpful framework to understand why employees make certain choices, and what they value.
- There has been a shift in how we approach understanding motivation. Where older theories emphasize the extrinsic motivators (like compensation and meeting basic needs), newer theories put more of an emphasis on intrinsic types of motivation (engagement, meaning and purpose).
- For creative workers, *MakingItWork* shows us that while creative workers are certainly preoccupied with their ability to make a living from their work, they are also concerned with cultivating a sense of meaning and purpose from their work.

Review of Popular & General Business Literature

The study of talent management and retention practices is certainly not limited to the academic sphere. A quick Google search shows that retention is a popular topic in business and/or popular/generalist publications targeting business professionals – which may include publications from LinkedIn Talent Solutions, research products from management consulting firms like Deloitte and management magazines like the Harvard Business Review. While this literature can be tremendously useful for cultural industry companies in terms of its ability to provide insight on best practices that may have been piloted elsewhere, much of it is written with larger, better-capitalized companies in mind. Moreover, in many cases, there is a lack of data available on whether or not these best practices worked at all. Many of the companies being cited as examples in this space are privately held, and thus are not necessarily providing evaluation data (or conducting real evaluation beyond the collection of anecdotal evidence).

Despite these limitations, we believe that there are important data points that can be drawn out of this literature for use by creative industry companies.

What does this literature tell us about workers?

One key advantage of this popular and general business literature is that insights often come from access to large datasets and large-scale surveys of job seekers and employers. For example, LinkedIn conducted what it bills as one of the world's largest behavioral and survey studies of what it terms 'job changers' in the world in its *Why & How People Change Jobs* report, available via LinkedIn Talent Solutions.⁶⁴ Based on the responses of 7 million LinkedIn members and over 10,000 survey takers, the report found that the number one reason that individuals cited to explain why they left their previous job was that they had concerns about the (relative) lack of opportunities for advancement.⁶⁵ Furthermore, this same survey suggests that respondents joined their new company because they were able to see a stronger career path with more opportunity.⁶⁶

Other large-scale surveys primarily conducted in the corporate world, like Ceridian's *Pulse of Talent* report from 2018, also explored some of the same ground. In this survey, over 2,000 American and Canadian employees were surveyed about their levels of satisfaction with their careers and workplaces. It found that compensation was the top reason for leaving a job (and more so for respondents aged 18-34) and that a sense of satisfaction in what they do was the driver in deciding to remain at an employer.⁶⁷ A major initiative by IBM and the Globoforce's WorkHuman Research Institute entitled *The Employee Experience Index: A new global measure of a human workplace and its impact* looked at some of the factors that underpin a good employee experience at work. The study suggested that employees who report

⁶⁴ LinkedIn Talent Solutions, *Why & How People Change Jobs*, https://business.linkedin.com/content/dam/business/talent-solutions/global/en_us/job-switchers/PDF/job-switchers-global-report-english.pdf

⁶⁵ *ibid*

⁶⁶ *ibid*

⁶⁷ Ceridian, *Pulse of Talent Report: Career Growth and Purpose Crucial for Retention*, December 15, 2018, <https://www.ceridian.com/ca/company/newsroom/2018/ceridian-pulse-of-talent-report-career-growth-and-purpose-crucial-for-retention>

experiencing higher levels of belonging, purpose, achievement and happiness were more likely to perform at higher levels, as well as less likely to quit.⁶⁸

A research report published by LinkedIn and focusing specifically on the concerns of small- and mid-sized businesses further confirms that compensation is not the sole guiding factor in determining why employees leave jobs. The findings suggest that employees normally leave their careers for three reasons: career advancement opportunities, for an opportunity to tackle meaningful work, and to increase their monetary compensation.⁶⁹ In that same report, LinkedIn quantifies the financial impact of retention (or lack thereof). Every time a business is required to replace a salaried employee, it costs between 6 to 9 months' salary (on average), and it can take between 1-2 years for the productivity of the new hire to reach that of an existing staff member.⁷⁰

There is also a strong focus on the importance of employee engagement as a core tenet of talent management strategies, which fits in with the assertion that retaining employees is about more than just compensation levels. For example, data from LinkedIn suggests that 'engaged' employees are 59% less likely to look for a new role or opportunity⁷¹. Engagement is defined in multiple ways in the literature, with one major barrier to this area being the lack of one standard and tested definition of engagement. One suggestion from an article in the Canadian HR Reporter offers an understanding of engagement as the combination of the following factors: motivation, job & organizational satisfaction, commitment, and discretionary effort.⁷² Despite the lack of a common definition, there is a general consensus that cultivating employee engagement is a critical component in addressing retention.⁷³ This sentiment, as expressed through the literature, reflects the perspective that employers need to reframe their thinking about workforce management: it's more about how to engage and build commitment with

⁶⁸ IBM, Globoforce WorkHuman Research Institute, The Employee Experience Index: A new global measure of a human workplace workplace and its impact, <https://www.ibm.com/downloads/cas/JDMXPMBM>

⁶⁹ LinkedIn Talent Solutions, 5 Employee Retention Strategies that Work for Small and Mid-Sized Businesses, https://business.linkedin.com/content/dam/me/business/en-us/talent-solutions/resources/pdfs/5_employee_retention_strategies_that_work_FINAL.pdf

⁷⁰ ibid

⁷¹ ibid

⁷² Brian Kreissl, The link between employee turnover, retention and engagement, Canadian HR Reporter, 2017, <https://www.hrreporter.com/columnist/hr-policies-practices/archive/2017/10/24/the-link-between-employee-turnover-retention-and-engagement/>

⁷³ John Hagel, Jungle Wong, Cathy Benjo, Robin Erickson, Beyond retention: build passion and purpose, Deloitte Insights, <https://www2.deloitte.com/insights/us/en/focus/human-capital-trends/2014/hc-trends-2014-beyond-retention.html>

employees, as opposed to simply thinking about ways to keep people in their current jobs (traditional thinking about retention).⁷⁴ Timing is also critical here, with evidence from both the academic⁷⁵ and popular literature⁷⁶ suggesting that thinking about retention, employee engagement and talent management should start at the front-end of the employment relationship (from onboarding onwards).

In many ways, the findings about workers broadly correlate nicely with the findings about creative workers (as understood within the context of MakingItWork's survey data). In essence, workers at large – creative workers or otherwise – care about being appropriately compensated, but they also care about feeling valued, being engaged and doing work that is meaningful for them. While creative workers may have existential questions emanating from the very nature of their work (and the precarious nature of the artistic ecosystem), they do share some of the same characteristics as some of their counterparts in the broader economy.

What kinds of retention tactics are other companies using?

As noted earlier, a key element of value in this popular and general business literature is that they are a source of information on what other companies are thinking and doing when it comes to talent management and retention. While the creative workforce is often smaller and less capitalized than the companies being mentioned in this body of literature, we believe that there are broad categories of initiatives that may offer an opportunity for a low-cost intervention for creative companies. The following section highlights some of the best practices most prevalent in this literature. This is not intended to be an exhaustive list, but a collection of ideas that address employee engagement and retention across different modalities beyond compensation, including considerations like job characteristics, career development opportunities, relationship with management, and work-life balance.⁷⁷

⁷⁴ *ibid*

⁷⁵ Benjamin Balbuena Aguenza, Ahmad Puad Mat Son; Motivational Factors of Employee Retention and Engagement in Organizations, *International Journal of Advances in Management and Economics*, Volume 1, Issue 6, 2012, <https://www.managementjournal.info/index.php/IJAME/article/view/233>

⁷⁶ Mike Kappel, *4 Ways to Keep Employee Retention High in the Age of Low Unemployment*, *Forbes*, April 2019, <https://www.forbes.com/sites/mikekappel/2019/04/17/4-ways-to-keep-employee-retention-high-in-the-age-of-low-unemployment/#17bccf0019c0>

⁷⁷ Aguenza, Mat Son, 2012

Onboarding

Onboarding was a common preoccupation of the general and business literature on employee retention. Onboarding is defined as a “systematic and comprehensive approach to integrating a new employee with a company and its culture” includes providing the relevant tools and information that will help the new employee transition into a productive member of their new workplace.⁷⁸ Given what we know about an employee’s need to feel engaged in their work, it comes as no surprise that having an onboarding strategy and/or program was seen as a positive by experts in the field.

Moreover, there is some evidence to suggest that onboarding is a critical time in the lifecycle of an employee’s career at their workplace, and a 2009 survey conducted by the Aberdeen Group suggested that 86% of respondents (which were senior executives and human resources professionals) felt that a new hire’s decision to stay with a company over the long-term was made in the first six months of employment.⁷⁹ Furthermore, a 2007 study conducted by the Wynhurst Group found that more than 50% of employees were more likely to still be with the same company three years later if they had completed some form of a structured onboarding process.⁸⁰

Percolate’s Onboarding Strategy

Percolate is a content marketing platform based in New York City. A fast-growing privately held venture with over 100 employees, Percolate views its onboarding process as a critical part of its company culture.

The key elements are:

- A desk that is fully equipped with all tools and peripherals needed.
- Detailed onboarding documents that include a task list as well as a document outlining company culture, language/lingo and policies called ‘Day One’.
- New hires need to send a company-wide introduction email within the first week.
- Each employee is assigned another employee (called a ‘Percolater’) as a buddy.

Source:

<https://blog.percolate.com/2014/04/onboarding-at-percolate/>

⁷⁸ Roy Maurer, Onboarding Key to Retaining, Engaging Talent, SHRM, April 2015, <https://www.shrm.org/ResourcesAndTools/hr-topics/talent-acquisition/Pages/Onboarding-Key-Retaining-Engaging-Talent.aspx>

⁷⁹ Maurer, SHRM, 2015

⁸⁰ ibid

Providing Pathways to Advancement

In the interests of creating opportunities for meaningful employee engagement, popular/generalist literature suggests that one way to cultivate a sense of engagement is to ensure that workers are able to see a clear pathway for advancement in their careers.

Examples include:

- Providing employees with a 'roadmap for success' that includes clear touchpoints and expectations over reasonable intervals (30day, 60day, etc.).⁸¹
- Ensuring that employees are offered a path for career development that accommodates personal interests and priorities.⁸²
- Including things like training and career development opportunities embedded as a part of an employee's job, rather than framed as a 'perk'.⁸³

Organizational culture

It is clear from the literature that building a strong organizational culture is a critical element in employee engagement, and ultimately, that it can drive an employee's decision to remain in or leave a job. While organizational culture can manifest in a myriad of ways, there is research to support the

Reverse mentoring

Popularized in 1999, reverse mentoring can be one way to build a shared learning culture across an organization.

Reverse mentoring is essentially inverting the typical hierarchy of a mentoring program – in this situation, the younger workers act as mentors to the more senior mentors.

Some of the advantages are:

- Increasing retention (particularly for millennials) through offering a satisfying opportunity to feel valued, gain networking opportunities and get exposure to alternative career paths.
- Improved outcomes relating to diversity and inclusion, by offering a space to confront and work through unconscious biases.
- Knowledge sharing, particularly in terms of the knowledge transfer between digital natives and more senior workers.

Source:

<https://www.forbes.com/sites/jasonwingard/2018/08/08/reverse-mentoring-3-proven-outcomes-driving-change/#5274fc598b51>

⁸¹ LinkedIn Talent Solutions

⁸² Lori Golder, Janelle Gale, Brynn Harrington, Adam Grant, Why People Really Quit Their Jobs, Harvard Business Review, 2018, <https://hbr.org/2018/01/why-people-really-quit-their-jobs>

⁸³ Hagel, Wong, Benko and Erickson, Deloitte Insights

business case for building strong organizational cultures.⁸⁴ A critical element of building

Building Strong Feedback Practices: Evernote

Evernote is a Silicon Valley software company specializing in informational organization with over 250 employees.

Evernote views employee engagement and feedback as critical to retention (and in fact, they have termed it 'caring for the herd'). Rather than use one method to draw out feedback from their workforce, they use a variety of methods:

- Quarterly 'pulse' surveys.
- Ask Me Anything meetings
- A bi-weekly meeting called an 'All Hands' which is their preferred forum to share information and feedback from an increasingly global workforce.

Source:

<https://biz30.timedoctor.com/employee-retention-strategies/>

employee engagement is creating opportunities for open, two-way communication between employees and management.⁸⁵ Furthermore, this aligns with research done by LinkedIn that suggests that one of the top reasons people leave jobs is because of dissatisfaction with senior leadership⁸⁶, and research by IBM and the Globoforce WorkHuman Institute suggests that leadership (and management) play a critical role in building the organization's culture in two key ways: proving clarity and direction when it comes to an organization's mission and direction (and how employees can contribute), as well as providing support and direction to employees.⁸⁷

While there is certainly a wide scope when it comes to tactics and best practices to build employee culture, the following may be particularly promising (and ultimately, feasible) for cultural industry companies:

- Ensuring that performance management processes are opportunities for continuous conversations between management and employees that build trust, and offers opportunities for constructive feedback, validation and growth opportunities.⁸⁸
- Providing opportunities for employees to take ownership over their job, whether through job crafting, or through the implementation of individual and/or team-wide goals tied to the organization's mandate.⁸⁹

⁸⁴ David Brown, Veronica Melian, Marc Solow, Sonny Chheng and Kathy Parker, Culture and Engagement, Deloitte Insights, February 2015, <https://www2.deloitte.com/insights/us/en/focus/human-capital-trends/2015/employee-engagement-culture-human-capital-trends-2015.html>

⁸⁵ Wall Street Journal, Employee Retention – How to Retain Employees, <https://guides.wsj.com/small-business/hiring-and-managing-employees/how-to-retain-employees/>

⁸⁶ LinkedIn Talent Solutions, Why and How People Change Jobs

⁸⁷ IBM, Globoforce WorkHuman Research Institute

⁸⁸ ibid

⁸⁹ Kappel, 2019

- Being conscious of how physical work spaces can contribute to the development of employee culture, from ensuring that offices spaces have “gathering areas” to bring people together, to enforcing an “open door policy” to make leadership more accessible.⁹⁰

Finally, the notion of a ‘stay survey’ came up repeatedly in the literature, and it is seen as an important element in gathering the actionable information that managers and employers need to be able to retain employees.⁹¹ Traditionally (and particularly in larger, more formal workplaces), exit interviews are conducted once an employee has already made their decision to exit, and their feedback can occasionally be less-than-candid due to a variety of factors, including a fear of being totally honest and a need to retain a positive reference for future work.⁹² However, a ‘stay interview’ allows employers/managers to be more proactive, and can be a meaningful way to gain information from employees about the factors that motivate their desire to stay in their role.⁹³ Implementing a ‘stay survey’ (or some other form of proactive, regular monitoring of employee engagement) can be a powerful tool for employers interested in knowing what they can do to drive employee engagement in a more proactive way.

⁹⁰ LinkedIn Talent Solutions

⁹¹ *ibid*

⁹² Dr. John Sullivan, The Top 12 Retention Tools that Produce Immediate Results, TLNT, April 29, 2019, <https://www.tlnt.com/the-top-12-retention-tools-that-produce-immediate-results/>

⁹³ *ibid*

The use of 'perks'

As stated earlier in this review, financial compensation and other monetary rewards can also play a critical role in retaining and managing talent. While this analysis is focused on the factors beyond financial compensation and salaries, it is worth noting that there are other critical 'perks' with financial implications that firms have implemented, and that are prevalent in the literature.

These include:

- Access to health insurance and retirement plans.⁹⁴
- Flexible schedules (including the ability to telecommute), as well as more flexible approaches to allocating vacation time.⁹⁵
- Providing workplace wellness initiatives. There is some data to suggest that for every dollar spent on wellness promotion in the workplace, companies can expect returns of between \$1.15 - \$8.00 over the long-term.⁹⁶

Contently's Sabbatical Perk

Contently is a New York-based content workflow management company with over 100 employees.

While much of the literature focuses on perks like flexible scheduling, access to food/beverages, and corporate wellness initiatives, Contently has one particularly interesting perk that they feel is intricately linked to their retention strategy.

Once an employee has been with the company for 5 years, they are offered a two-month paid sabbatical. For employees who haven't hit their 5 year mark yet, Contently offers unlimited vacation and flexible scheduling.

Source:

<https://biz30.timedoctor.com/employee-retention-strategies/>

⁹⁴ LinkedIn Talent Solutions

⁹⁵ ibid

⁹⁶ Monster, Company Benefits for Employee Retention: How Wellness will Separate Corporate Winners from Losers, <https://hiring.monster.ca/hr/hr-best-practices/workforce-management/employee-retention-strategies/company-benefits-for-employee-retention.aspx>

Diversity & inclusion

While issues around equity and inclusion can and should be integrated into any of the ideas and themes noted above, it is also worth mentioning that there is research to suggest a relationship between diversity and retention. While there is a wealth of research on the ways in which diversity and inclusion support profitability⁹⁷, there is also a growing consensus that organizations who report having both a diverse staff and inclusive workplace also tend to do better when it comes to retaining their talent.⁹⁸ While certainly diverse hiring practices are critical to building more diverse workplaces, it should be noted that diverse hiring practices on their own do not necessarily make workplaces more diverse, or even improve retention.⁹⁹ Companies and organizations should also focus on ensuring that their culture is free of institutional biases and microaggressions.¹⁰⁰ Obviously, the difficulty with institutional biases and microaggressions (and combating them) is that the perpetrator may not necessarily be aware that this is happening. An example of a microaggression or an institutional bias in a company setting can include “office housework” – the phenomenon where the women in the office are informally expected to take on additional administrative tasks like taking meeting minutes, scheduling, etc.¹⁰¹ Combating these types of biases can be difficult as they can be deeply ingrained within

Corus Entertainment: Corus’ Women’s Leadership Network

Corus’ Women’s Leadership Network is an employee group formed in the early 2000s out of its annual two-day Women in Leadership Conference. Launched during a time of uncertainty within the media industry, Corus recognized that women at every stage of their career were looking for guidance on how to navigate the changing landscape.

The Network was designed to leverage Corus’ corporate values to lift barriers to advancement, assist in the pursuit of skills development, and move careers forward through a mixture of training and networking events. While events are hosted and streamed from their Toronto office, they have been active in encourage satellite offices to host their own local events.

Source: <https://ccdi.ca/media/1316/20160712-ccdi-successstories-corus.pdf>

⁹⁷ Zoe Mackey, Here’s How Workplace Diversity Impacts Employee Retention, Berrett-Koehler Publishers, March 2019, <https://ideas.bkconnection.com/heres-how-workplace-diversity-impacts-employee-retention>

⁹⁸ *ibid*

⁹⁹ *ibid*

¹⁰⁰ *ibid*

¹⁰¹ Katherine Reynolds Lewis, How to Make Your Company Less Sexist and Racist, The Atlantic, March 31, 2015, <https://www.theatlantic.com/business/archive/2015/03/how-to-make-your-company-less-sexist-and-racist/388931/>

business practices and policies, but models and frameworks to address this type of bias have been developed. The Center for WorkLife Law, based out of UC Hastings College of the Law, has developed toolkits for employers who want to implement what they call ‘bias interrupters’, described as “small adjustments to your existing systems” intended to address microaggressions and ingrained biases that are hard to address through things like mentorship programs, diversity training and networking.¹⁰² Their solution involves three steps: use metrics (including tracking things like demographics and whether hiring qualifications are waived more often for people from certain groups than other groups), implement the relevant bias interrupters (things like limiting referral hiring, changing wording of job postings, etc.), and repeat as needed using an iterative process to make adjustments.¹⁰³

Another type of initiative merits a brief mention due to its popularity within the literature assessed in this study. Some (larger) companies enable the formation of employee resource groups, which are voluntary and employee-led groups that form based on shared characteristics or identities.¹⁰⁴ Such groups can provide valuable opportunities for peer mentorship and support, as the case study of Corus’ Women’s Leadership Network (see previous page) illustrates.

An issue with the body of general business literature on talent management and retention is that the vast majority of the available case studies or best practices are focused on large, corporate workplaces. While some of their practices have the potential to be scaled to small-and-medium-sized companies, others do not. Notably, this is the case even within Canadian literature, where 99.8% of businesses are classified as small (1-99 employees) or medium-sized businesses (100-499 employees).¹⁰⁵ For example, the Canadian Centre for Diversity and Inclusion’s Success Story initiative, which focuses on highlighting stories of Canadian organizations supporting diversity & inclusion leadership, features predominantly large companies like McCarthy Tétrault, the Ontario Public Service, Sobeys Inc., Enbridge Inc. and TD Bank

¹⁰² Bias Interrupters, Tools for Organizations, <https://biasinterrupters.org/toolkits/orgtools/>

¹⁰³ *ibid*

¹⁰⁴ Julia Carpenter, The Hidden Power of Employee Resource Groups, CNN Business, November 2018, <https://www.cnn.com/2018/11/01/success/employee-resource-groups/index.html>

¹⁰⁵ Innovation, Science and Economic Development Canada, Key Small Business Statistics, November 2019, [https://www.ic.gc.ca/eic/site/061.nsf/vwapj/KSBS_Nov-2019_En_Final_5.pdf/\\$file/KSBS_Nov-2019_En_Final_5.pdf](https://www.ic.gc.ca/eic/site/061.nsf/vwapj/KSBS_Nov-2019_En_Final_5.pdf/$file/KSBS_Nov-2019_En_Final_5.pdf)

Group.¹⁰⁶ Notably, however, the list does include one firm operating in the culture space: Corus Entertainment. This case study is highlighted in the box above.

Finally, there is also relevant book publishing industry and interactive digital media industry data on diversity and representation published by Canadian and/or Ontario-based trade associations. The Association of Canadian Publishers published its *2018 Canadian Book Publishing Diversity Baseline Survey* in March 2019, based on the Lee & Low Books Diversity Baseline Survey. The study highlights that the sector is predominantly white (82%), female (74%), and heterosexual (72%).¹⁰⁷ For its part, Interactive Ontario tracks select demographic data in its *Measuring Success: economic impact report series*. In *Measuring Success: The Impact of Interactive Digital Media in Ontario in 2017*, it is noted that the IDM workforce remains predominantly male (72%), while on average, more than a quarter (27%) of employees are women.¹⁰⁸ Moreover, 8% of companies within that sample reported having 0 female employees.¹⁰⁹ In 2017, Interactive Ontario published a Diversity & Inclusive Toolkit for the Interactive Digital Media Industry which offers specific best practices and frameworks for the IDM sector in Ontario, covering areas such as staffing and hiring, advisory boards, job ads, and community outreach.¹¹⁰

¹⁰⁶ Canada Centre for Diversity and Inclusion, Success Stories, <https://ccdi.ca/success-stories/>

¹⁰⁷ Association of Canadian Publishers, 2018 Canadian Book Publishing Diversity Baseline Survey: Summary Report, March 2019, <https://publishers.ca/wp-content/uploads/2019/03/2018-Diversity-Survey-Summary-Report.pdf>

¹⁰⁸ Interactive Ontario, *Measuring Success: The Impact of Interactive Digital Media in Ontario in 2017*, November 2019, <http://interactiveontario.com/wp-content/uploads/2019/11/Measuring-Success-2019-FINAL-EN.pdf>

¹⁰⁹ *ibid*

¹¹⁰ Interactive Ontario, *A Diversity & Inclusion Toolkit for the Interactive Digital Media Industry*, 2017, http://interactiveontario.com/wp-content/uploads/2019/11/io_diversity_inclusion_toolkit_2017_ENGLISH_optimized_web.pdf

What do cultural workers want?

There is also some research that can tell us about what cultural workers want. For instance, WorkInCulture's *MakingItWork: Pathways to Sustainable Cultural Careers* offers data from an Ontario province-wide survey about the types of benefits and supports cultural workers are seeking out.¹¹¹ Furthermore, a report released by the Cultural Human Resources Council in 2017 offers some information about management and executive level employees, albeit from a non-profit arts perspective.

Overall, *MakingItWork's* data suggests that culture sector workers are largely pessimistic about their career prospects (in terms of advancement) and identifies a relative lack of upward mobility.¹¹² However, the research suggests that access to professional development is correlated strongly with outlook for future career growth.¹¹³ Moreover, 74% of organizations surveyed via *MakingItWork* indicated that they provide time for employees to access professional development and training opportunities, while 65% provide some form of internal professional development support.¹¹⁴ On the other end of the spectrum, 38% of the organizations encourage employees to seek out skills and training opportunities on their own time (and own budget), and 10% of organizations indicated that they play no part at all in employee training.¹¹⁵

MakingItWork's data also suggests that the most commonly offered benefits (paid leave, medical and dental benefits, access to mental health days, and pension/retirement plans) were also the most commonly desired benefits for those who did not have access to them.¹¹⁶

Cultural Human Resources Council's 2017 *National Compensation Study: For Managerial and Administrative Positions in Not-for-Profit Arts Organizations* offers additional evidence relating to the work experiences of people employed in the sector. CHRC's research suggests that relative to 2008, the frequency of benefits being offered by arts organizations has increased for some

¹¹¹ Note: the data does not specifically or exclusively refer to cultural industry employees in the book publishing sector, and in fact, likely overrepresents non-profit arts organizations and employees. However, we would offer that there are more similarities than differences in these populations, and that their needs are useful as context.

¹¹² WorkInCulture, *MakingItWork*, 2019

¹¹³ *ibid*

¹¹⁴ *ibid*

¹¹⁵ *ibid*

¹¹⁶ *ibid*

types, including long-term disability, life insurance, dental and vision coverage.¹¹⁷ However, the relative prevalence of retirement savings plans and/or pensions is low overall, particularly when compared to other sectors.¹¹⁸ Finally, flexible work arrangements have increased across the board according to this study, both for small and large organizations.¹¹⁹

Key Takeaways:

- Despite the fact that popular and general business literature is largely targeted towards employees (and managers) working at large firms, this body of work also tells us that workers in creative firms (which tend to be smaller) and workers in large firms share a lot of the same anxieties, concerns and preoccupations.
- Similarly, while many of the best practices offered in this body of work have been piloted at firms with large workforces (100+ employees), there are significant opportunities to scale down some of these interventions to move the needle on retention within the creative sector.
- The solutions offered above are by no means exhaustive, but they are initiatives that could be used to address some (if not all) of the key parts of employee motivation. These include: onboarding processes, carving out clear pathways for advancement, developing a strong organizational culture, the use of perks, and making meaningful inroads on diversity and inclusion initiatives.

¹¹⁷ Cultural Human Resources Council, 2017 National Compensation Study: for Managerial and Administrative Positions in Not-for-Profit Arts Organizations, May 2018, <https://www.culturalhrc.ca/research/compensation/CompStudy17EN.pdf>

¹¹⁸ *ibid*

¹¹⁹ *ibid*

Interviews with 10 Ontario-based Creative Industry Companies

To dig deeper into how Ontario's creative industry companies deal with the issue of retention within their businesses, the consultant interviewed ten Ontario-based companies. The companies were drawn from the interactive digital media and book publishing industries. A total of 10 companies were approached for interviews, which were targeted towards executives at the ownership and/or senior management level who dealt with operations and/or personnel issues. Interviewees were provided with an interview guide in advance of the interviews to help them prepare for the types of questions that would be asked. This interview guide can be found in the Appendix of this report. The interviews were conducted by phone and ranged from 30-45 minutes in length. Interviews were not recorded (for confidentiality reasons), but notes were taken by the interviewing team. As such, the findings from the interview process should be understood to be reflective of what we heard in the aggregate, and do not refer to any specific, identifiable scenario. Moreover, while we received interesting and rich data from these 10 interviews, we are cognizant that our sample size of 10 does not provide us with any rigorous or statistically significant data about the creative sector as a whole. Moreover, these observations do not take into account the supply-side – they are observations strictly from the demand side (employers).

General Observations: what are companies currently doing?

As a primary observation, it is worth highlighting that the vast majority of the companies within our sample would be classified as small to medium-sized businesses (SMEs). As a result, there is a tendency to be less formalized than your typical corporate workplace – for example, in a workplace with less than 5 full-time employees, there would typically not be a designated human resources professional or an employee handbook. In that case, we typically see senior operations personnel take on the human resources tasks as part of their job description. This is not necessarily a negative characteristic in and of itself, but it does differ significantly from the types of companies held up as operational best practices in business literature, for example. Our research also highlighted the reality that attention to workplace policies and practices tends to grow alongside company growth. In the early stages of the company, things are more likely to be done on an ad-hoc basis, but as the company reaches a tipping point, the size of the workplace requires some degree of formalization of HR management.

Some of the most common initiatives that companies in our sample were undertaking include:

- **Check-ins & performance reviews:** These looked vastly different from company to company, but broadly, can be divided into two sub-categories:
 - **Formal:** These would include the formalized, regular (ex: quarterly) performance reviews that follow a specific format, with prescribed periods. An example would be quarterly check-ins with direct reports that focus on what is going well, identify areas for future growth, and identify opportunity for further employee development.
 - **Informal:** These check-ins or performance review processes tended to be informal, offered on an as-needed basis, and sometimes would manifest as an 'open door policy'.
- **Career mapping:** A significant trend that was apparent across all companies we spoke to was the prevalence of engaging in discussion with employees about their career trajectories. In some cases, this was undertaken via a career pathways model, where an employee outlines their career goals, and the employer works with them to identify an appropriate development plan to get the employee to where they would like to be. Even the smallest companies within our sample seemed to engage in this sort of career mapping (to varying degrees), and there seemed to be a general sense that this type of initiative was viewed positively by employees. Moreover, in some of the larger firms, employees were offered a block of time dedicated to their own self-directed development, which was an opportunity where employees had a possibility of accruing time off that they could use to develop new skills that they then would present to the company.
- **Employee engagement measures:** Another key element of workplace practices that featured prominently across all 10 companies we spoke to was a sustained effort to cultivate employee engagement. This manifested in different forms:
 - Allowing employees to have a sense of agency over their own domain. For example, this could involve allowing an employee to have a certain level of ownership over their own tasks.

- Ensuring employees are aware and engaged in conversations about the overall welfare and direction of the company. Ultimately, these specific measures were often framed as a desire to build a spirit of trust within the workplace. In some cases, employers organized town halls where employees could participate in conversations about the direction of the company, while others enabled communication channels where employees could flag feedback anonymously. This could also include transparency on compensation – some companies noted that they develop tools where an employee can visually see the full scope of value of their compensation package.
- Collegial, harassment-free workplaces was a common answer.
- **Perks:** In most cases, companies were quite honest that given their size and stature in the general global marketplace, they could not necessarily offer the highest relative wages or compensation packages. In most cases, wages were referred to as 'fair but not necessarily high or competitive'. However, employers did tend to offer the following perks to their employees:
 - Flexible work arrangements, including the ability to work remotely.
 - Awards and recognition programs for high-performing employees.
- **Investment in professional development.** Several of the employers interviewed noted that they offered some form of support for professional development, whether that was in the form of paid time off to pursue PD opportunities, or the offering of paid PD opportunities like attendance at high profile conferences and events. In some cases, this also included the ability to sit on industry committees or boards.

Beyond the most common policies across the ten companies, there were some innovative programs or strategies being pursued in some individual cases. These include:

- **Onboarding programs:** Some companies were exploring using both online and offline (in-person) onboarding programs, with particular attention being paid to introducing new employees to mission, vision and values.

- **Health & wellness:** One company in particular was proactive in terms of offering a slate of health and wellness offerings to their employees. This can include things like offering fitness classes on site, for example.
- **Exit surveys:** Only a few companies within our sample were utilizing exit surveys to get a sense of why employees were leaving. That being said, in many cases, the workplaces and industries were small, so interviewees were able to speak broadly as to where employees were headed once they left.
- **Agency over their workplace setup:** One company noted that they offered new hires the ability to choose their own equipment. This both served to ensure the new hire was comfortable from the get-go at the company, and provided an opportunity for other employees to engage the new hire in conversation about their equipment choices.
- **Diversity, inclusion & equity initiatives:** Most of the companies we spoke to were still grappling with what to do about making their workplaces more inclusive. An interesting finding here is that several companies had engaged diversity consultants to help them review their policies and practices.

In terms of the 10 companies we spoke to for this report, we observed that there was a lack of formalization and standardization when it came to human resources tasks. This manifested itself in different ways:

- A lack of a human resources professional (trained with that specific designation) handling the HR tasks and responsibilities. For the companies we spoke to, this largely was part of the owner/founder's responsibilities, or a senior member of the management team (typically in an operations/general management role).
- Limited tracking of typical human resources outcomes. This varied widely across the group, with some of the larger companies engaging in systematic tracking of data relating to average tenure and similar indicators. For the smaller companies, tracking was either done on an anecdotal or ad-hoc basis, or not at all.
- At a preliminary level (given the small sample size), companies working in the interactive digital media space tended to be the ones who were using tools and existing models and frameworks (like the Objectives and Key Results [OKRs] model) while the book publishing companies we interviewed did not indicate that

they used any tools, models or software solutions to guide their talent management practices.

A lack of formalization or standardization across the workplace is not necessarily a negative component. Arts and culture organizations tend to be a more flexible (and less corporate) workplaces for the most part, and small and medium-sized enterprises do not often have the same structure as a large corporate firm with hundreds of employees. One element that likely requires further research and may have negative impacts on the workforce is an apparent over-reliance on 'cultural fit'. As noted in the literature review, there is some academic theory regarding the importance of fit, but it warrants further research into the implications of fit for diversity & inclusion.

For many companies, their hiring practices in particular were driven by ensuring that a candidate was the right 'cultural fit'. This concept, however, proved to be nebulous at best. It was often referred to as the need to ensure workplace harmony. Moreover, some companies within the sample identified 'cultural fit' as part of the reasons why employees would leave or otherwise not be retained.

Our concerns with 'cultural fit' in this context are two-fold: the lack of clarity around what it actually means on a practical level (and particularly as it pertains to hiring), and the resulting impact this nebulous concept may have on diversity and representation within the workplace. One company specifically referenced the fact that, in the early stages of their company, this search for the right fit would typically mean hiring from an existing social circle.

Why are people leaving?

The companies that were interviewed for this report were able to provide a sense of why their employees tended to leave in terms of broad categories. Typically, reasons included:

- **Compensation:** This appeared to be more common in the 5 book publishing companies, but there was some evidence that people are eventually 'priced out' of the sector. Sometimes, this was due to life decisions (for example, wanting to start a family) and this need for a higher salary led applicants outside of the arts and cultural sector. This is not a surprising finding, given what we have heard through *MakingItWork*, but this brain drain is and should be a concern.

- **Career growth:** Another common answer was that, particularly in smaller companies, employees do leave to seek out other opportunities for career growth while remaining within the sector. This may result in lateral moves, but there was a sense that there was a lot of movement across entry- and mid-level staff.
- **Cultural fit:** As noted earlier, several companies indicated that a lack of 'cultural fit' with the workforce was another reason for departure.

It is worth highlighting, however, that for the most part, the companies in our (small) sample reporting having a relatively strong retention rate. They believed this was the product of the intangible benefits of their workplace and their focus on employee engagement. Almost everyone interviewed drew linkages between their work in cultivating a positive working environment and their ability to retain people. This may seem obvious, but this is a particularly salient point for workplaces in the arts and cultural sphere: people are passionate about their work, and there is a desire to contribute to meaningful work. This most certainly plays a role in the sector's ability to retain talent.

Other Observations

Another interesting element here is a divide between the interactive digital media companies and the book publishers we spoke to. To reiterate, this is a small sample size, so these are non-scientific observations, but there may be an opportunity for further research into the pipelines of talent that lead into both of these industries.

The book publishers in our sample mainly drew new hires from the post-secondary programs in Toronto – Humber College, Centennial, Ryerson University etc. Thus, the talent pool was mostly local, and many publishers were using publicly funded internship programs to meet skills gaps in terms of diverse workers as well as digital skills. While most companies spoke positively about the benefits of these programs in developing the next generation of employees, there was also a sense that these programs did not line up with the natural cycle of the book publishing sector in terms of timing and availability of interns.

Interactive digital media firms, however, were more likely to look to the global talent pool. There were repeated references to an increasingly mobile, increasingly competitive global workforce and competition for talent outside of Canadian borders. Many companies were simultaneously

searching outside of Canada for emerging and existing talent, while also working to develop stronger linkages with local post-secondary institutions. We believe there is an opportunity to develop stronger industry-academia linkages to better develop the talent pipeline.

Areas for Further Exploration: Potential Best Practices

Given our relatively small sample size, this report will not provide substantive recommendations for further action, but instead recommend future areas of exploration and analysis. These recommendations for further analysis are fueled both by our experience reviewing the available research (both academic and popular), as well as by insights gained by interviewing representatives from Ontario-based book publishers and interactive digital media companies. The goal is to provide preliminary insights into best practices that might be useful to companies across the creative media industries, while also advocating for a greater body of business intelligence about creative media industry workforce development (both broadly, as well as discipline-specific data).

1. *Define, measure and adapt:* – It is clear from both from the literature review and from the interview data that companies who do better at retention are those who have worked to develop an evidence-based strategy to improve retention outcomes. This might look different depending on company-size, but it typically begins with collecting data on the issue (average length of tenure, for example), creating new channels to develop access to missing data points (formalizing exit interviews, for example) and adjusting tactics based on the unique needs of the specific workforce. Fundamentally, the overarching theme we have identified via this research report is that the sector may suffer from a lack of formalization, whether that means an overreliance on a nebulously defined term like ‘cultural fit’ or the absence of standardization of job descriptions. A simple start for many companies within the sector may simply be developing some formal human resources policies – very few companies have a dedicated human resources professional on staff to develop human resource policies that would impact retention and overall employee engagement. Recognizing the size and particular needs of creative media industry employers, there are also a number of free resources that are available to help organizations build better talent management capacity, including free or low cost resources from the Cultural Human Resources Council, and free resources (including

some on diversity in the workplace) from WorkInCulture. While there is most certainly room for informal practices (and particularly in the early stages of a company's life cycle), organizations (and employees) may be better served in the long run if they adopt some form of formalization around their hiring, performance management, diversity & equity, and retention practices.

2. *Work to build stronger links with the post-secondary sector:* A key element of commonality across the companies interviewed over the course of this research is that the post-secondary pipeline is an important one for companies operating in the book publishing & interactive digital media sectors. For their part, the book publishing companies we spoke to emphasized that they mostly drew their candidates from the same pool of book publishing post-secondary programs, while the interactive digital media industry companies were sourcing new hires from a variety of post-secondary programs, but also looking beyond Canada to global talent markets. In both cases, the companies we interviewed expressed an interest in developing stronger academic-industry linkages that better reflect the needs of companies in the sector. The 'how' remains the question here, so we would recommend this as a priority area of further consultation and research.

3. *Using external voices to build knowledge:* Issues around diversity, equity & inclusion were important areas of analysis for this report, including within the literature review as well as within the interview process. Correlated with our findings in *MakingItWork*, while there is desire to improve diverse representation within creative media industry workforces, there are key gaps in resources, ability and knowledge that may not be accessible to the small and medium-sized enterprises in the sector. Without expert guidance, even the best intentions may be ultimately a failure – or worse, harmful. Several companies within our sample had employed external firms to evaluate and review practices across their workforce, and we believe that this practice could be of value to creative media industry companies, particularly as they grapple with issues around making their workplaces more representative and equitable.

Appendix – Interview Framework

Ontario Creates - Talent Retention

Draft Interview Protocol

Last updated: Mon. Aug. 12, 2019

Research Question

How can companies proactively ensure that they are able to retain the talent that they have hired?

Interview Guide

Thank you for agreeing to participate in this research project on talent retention in the creative industries, commissioned by Ontario Creates and conducted by WorkInCulture.

The purpose of this research is to understand the strategies that organizations in the arts and culture sector use to successfully retain new hires and support existing talent in their workforce. The goal of this study is to identify key features of successful (and unsuccessful) recruitment and retention efforts in order to contribute to an evidence base of strategies that other organizations across the sector might learn from. Such an evidence base may provide useful starting points for organizations eager to adapt and implement novel strategies that may have a positive impact on their own retention and talent management strategies.

The interview has been designed as an open-ended, semi-structured conversation in order to invite professionals from book publishing and interactive media to speak about the retention and talent management strategies in place within their own organizations. Questions will be common to all participants, though the emphasis of conversations will vary from participant to participant.

All questions are optional, with no requirement to answer them. No audio-visual recording of the interviews will be made (though typed and/or handwritten notes will be made by one or both interviewers). Your responses to these questions will be anonymized and/or pseudonyms will be created by default (use of your name is possible upon your request). The interviewers will take particular precautions to decontextualize responses if they determine there is a likelihood of misperception or harm (to reputation or otherwise) resulting from the responses made. Participants may refuse to answer any and all questions, or rescind their consent to participate, with absolutely no consequences from either of the interviewers, WorkInCulture, Ontario Creates, or any of its associates or employees. Your participation will in no way change the future working relationship you have with WorkInCulture or Ontario Creates.

The benefits of participation include the ability to identify, share, and develop solutions for an on-going challenge facing organizations and leadership in the arts and culture sector.

The length of the interview may vary, but participants should anticipate a request of approximately 30-45 minutes of their time.

Terms and Definitions

Arts and culture. This is an inclusive term that reflects the diversity of work in artistic and cultural enterprises. “Arts and culture” includes *nonprofit* and *for-profit* organizations, such as *charities* and *small- and large-scale companies*, enterprises that have a few or many paid staff, and who rely on few or many volunteers, whether seasonally or year-round.

“Arts and culture” means any enterprise *directly* doing production or coordinating and delivering services in fine arts, media arts, interactive arts, and so on. “Arts and culture” includes creative industries and cultural industries.

Talent retention. This term refers to strategies used by an organization’s management (or human resources department) to keep or retain their staff (or “talent”). These strategies may be formally or informally developed, address employees at some or all organizational levels, such as new staff or management, and at all stages of employment, such as through “onboarding” new and recent hires or conducting performance reviews with longer term employees. “Talent retention” strategies can address both volunteer and paid staff—though most are usually focused on the latter.

“Talent retention” strategies can also be seen as initiatives to motivate employees to perform and be highly productive. *Extrinsic* motivators are external rewards (and punishments) such as wages and bonuses, benefits and pensions, and so on. *Intrinsic* motivators are internal factors that are more difficult to define, but include factors contributing to an employee’s satisfaction at work—these might include their sense of *purpose* in their work, the *flexibility* or *autonomy* they have over their own working conditions, and so on.

Workplace culture. This concept refers to the often intangible aspects of work that shape how people communicate and interact, and how effectively and with what efficiency they complete their work tasks. This culture may enable or impede the ability of some or all employees to do good work.

Interview Questions and Prompts

1. Please describe the composition of your current **workforce** in general terms.
 - a. By **type** of employment/contract: ex. volunteer/(unpaid) internship, contract/freelance, part time, or full time
 - b. By nature of **tasks** and responsibilities: ex. entry-level, management, senior management
 - c. How would you describe the knowledge level or “currency” of your workforce (ex. knowledge of and connections within the sector / industry)? Is it concentrated within a few staff, or distributed amongst the organization? Is it local, regional, international, etc.?
 - d. How would you describe your organization’s distribution of roles and responsibilities? (ex. “flat” or hierarchical organization, description of positions/hierarchy, titles of positions)
2. What do you see as your organization’s most significant **barriers** to productivity and growth?
 - a. Of these barriers, which do you feel are the result of **workforce / staffing issues**?
3. Describe the characteristics of a successful **long-term employee** at your organization, and whether or not you have many of these within your organization.
4. Describe the **succession plan** you currently have in place to address the impact caused by employee departures/turnover (especially in terms of: hiring, termination / departure, policy implementation of serious disciplinary actions, etc.).
 - a. Would you say that your succession planning strategy varies with an employee’s management level or experience?
 - b. Do you conduct performance reviews at any point, including departure? (Such as exit interviews or “stay” interviews or other variations)? If so, what do you do with the results? If not, why not? Are there any strategies you would like to develop?
5. Do you feel talent retention is a problem: (1) in your organization in particular? (2) in your industry or sector generally?
 - a. If yes, please describe how you see it as being a problem. What do you feel are the causes? Likely solutions?
 - b. If yes, what are you doing or what have you done to address the problem in your organization (for example, to better research and understand the causes, or to make organizational changes to affect retention, etc.)?
 - c. If no, please describe why you do not feel retention is a problem

- d. *Yes or no, please describe what you and your organization have done to retain talent. Please indicate how successful you feel these have been.*
 - e. *What do you feel are the elements that most directly contribute to retaining valuable staff (alternatively: to driving them away)?*
6. *Describe how do you support education and growth... (1) In your own workforce (collectively or individually)? (2) Across your industry or sector? (3) Across local/regional education institutions (including postsecondary through partnerships, internships, etc.)?*
7. *A summary question: what do you feel are key reasons to invest in retaining your organization's current talent? Or, what are key reasons to limit that investment?*