

EVOLVE AND THRIVE

Rethinking Employee Experience



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Introduction

If you asked 100 different people what employee experience was, what would they say? Chances are, every answer would be different. Employee experience has a lot of different meanings: it's a business management concept, a strategic imperative, a cluster of affiliated psychological sentiments and a major priority for many companies the world over. And it's constantly evolving.

As a result, understanding the term "employee experience" may not be easy. Employee experience has historically been perceived as the sole purview of HR, but now it has the attention of the full C-suite – and with good reason. Employee experience includes every touchpoint an employee encounters from onboarding to exit. That covers the internal technologies and solutions employees use, the facilities and social opportunities available to them in person, and the extent to which their work life impacts their personal life. That's why it's essential for businesses to make sure their people leaders are aligned when it comes to employee experience.

But gaining buy-in across the board requires strong advocacy and stronger people data. For employee experience initiatives to be successful, they have to be data-driven. Nearly half of business leaders (49%) said that an inability to connect operational, people and financial data to business outcomes impaired agility, according to the Workday global survey report "Closing the Acceleration Gap: Towards Sustainable Digital Transformation"¹.

In this eBook, we explain employee experience, break down the benefits of a positive employee experience, and show how you can develop a successful employee experience strategy. At each stage, we provide statistics from current reports that illustrate the business benefits behind a positive employee experience. By the end, you'll have the resources you need to create a strong case for a holistic, multichannel approach to employee experience.



¹ Workday, "Closing the Acceleration Gap: Towards Sustainable Digital Transformation"; 2022.

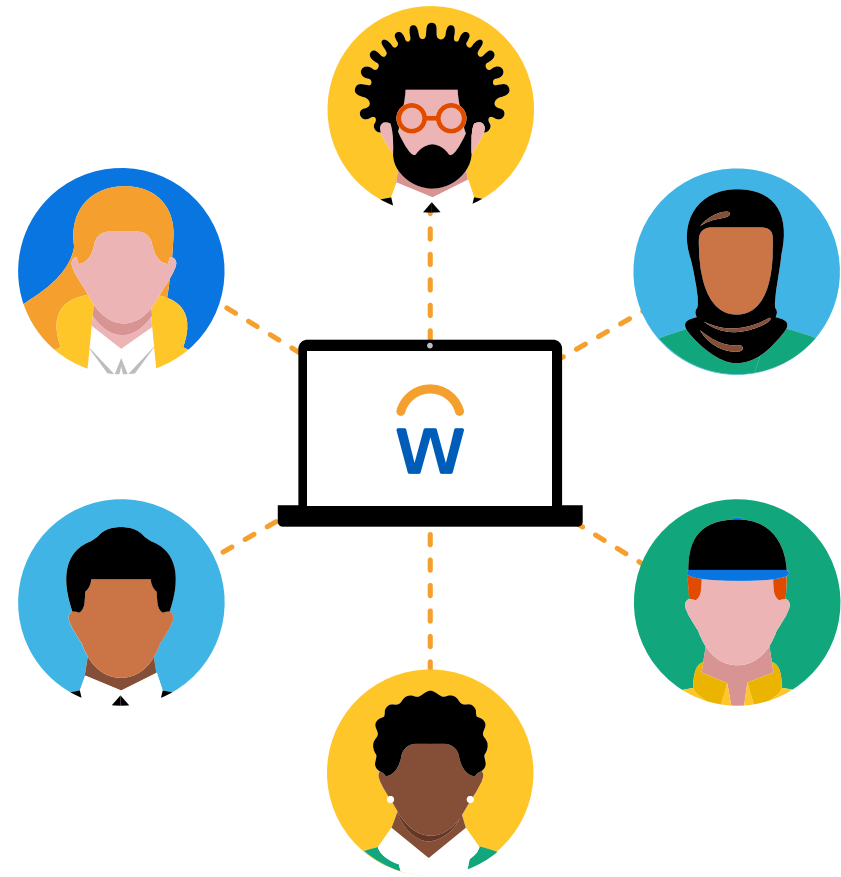
What is employee experience?

The basis for a positive employee experience is simple: viewing employees as significant partners and stakeholders, regardless of their seniority, gender, race, religion or any other factor. When we define employee experience, we should do so with that mutual respect in mind.

Employee experience refers to every point of contact an employee encounters during their employment lifecycle. However, it shouldn't be viewed as something that a company does to its employees. Instead, it relates to each employee's internal experience, including the perceptions they have of company culture, opportunities for career growth, work-life balance and everything in between. From the moment a new employee signs their job contract, their perception of the business is constantly evolving. Ensuring that evolution is positive requires a sustained, involved approach.

The term "employee experience" is often used in close conjunction with "employee engagement".² Using them interchangeably, however, is a mistake:

- **Employee experience** covers the entire employee lifecycle. It's focused on your employees' perception of your brand and business practices, and how working for you impacts their day-to-day life. More than anything, it's a people-first way of viewing the employee journey and prioritising your employees' needs.
- **Employee engagement** is a reflection of the quality of that employee journey. When we measure engagement, we assess how connected an employee feels to their company and its culture, and to their colleagues. When adjustments are made to the overall experience, one of the strongest proxy measures is a continuously updated engagement score, usually gathered using an employee engagement survey.³



² Workday, [Understanding the Basics: What Is Employee Engagement?](#); 29 March 2022.

³ Workday, [The 45 Questions Your Employee Engagement Survey Needs](#); 11 February 2020.

Impact of employee experience on customer experience

When we discuss employee experience, it inevitably calls to mind customer experience – the cornerstone of many modern marketing and sales approaches. Like employee experience, customer experience is the full impression customers have of your brand during their customer journey. Are they happy with the quality of your products or services? Do they feel any brand loyalty? Does the digital customer experience differ from the in-person experience? These are all questions that can just as easily be applied to your employees.

We've all heard the adage “the customer is always right”, but businesses are realising that a positive employee experience has a direct impact on the customer experience. That's not to say employee experience is only as valuable as its effect on customer experience – supporting your people at each stage of the employee lifecycle has multiple advantages. But the benefits to customer experience underline the significant impact an integrated and sustained approach to employee experience can have.

In a 2022 study designed to reflect the impact positive employee experience had on customer experience and business outcomes, *Harvard Business Review* compared three years of data from over 1,000 brick-and-mortar locations for a global consumer-facing retail brand.⁴ They found that when a store moved from the bottom quartile to the top quartile in each of the employee experience metrics they measured (including employee longevity, full-time/part-time status, internal rotations and skill level), it would increase revenue by more than 50% and profits by nearly as much.

⁴ *Harvard Business Review*, “[Research: How Employee Experience Impacts Your Bottom Line](#)”; Tiffani Bova, Kexin Chen, Kate Gautier and Lalith Munasinghe; 22 March 2022.



Importance of employee experience

Of 1,150 senior executives around the world, half of HR leaders (50%) are focusing on positive employee experiences to accelerate transformation across the business.⁵ But why is employee experience so top-of-mind for organisations across the globe? And what measures of success do we use for such a people-focused strategy?

To discuss employee experience, we have to focus on one of the many factors that influence employees' perception of your company. As we continue to deal with the ramifications of the pandemic, one of the most significant HR topics for employees is work-life balance. The 2021 LinkedIn "Employee Well-Being Report"⁶ found that employees who were satisfied with their organisation's flexibility in hours or location were:



3.4x more likely
to successfully balance work and personal obligations



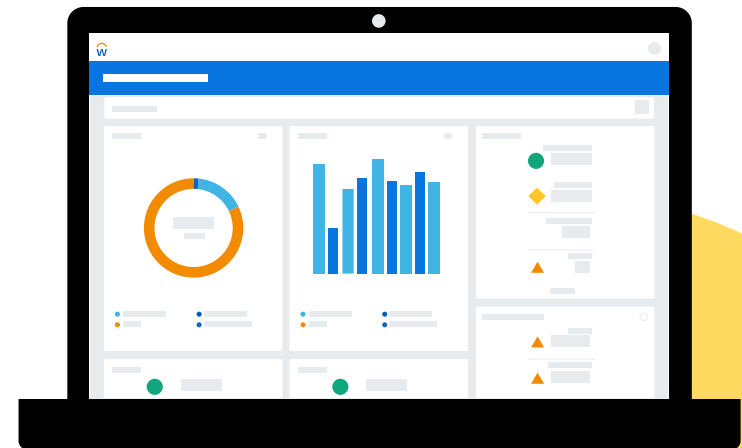
2.6x more likely
to be happy working for their employer



2.1x more likely
to recommend working for their employer

Similarly, a recent Gartner⁷ survey found that organisations with high levels of flexibility were almost 3x more likely to see high employee performance.⁷ What's remarkable is that despite this, LinkedIn further reports that 20% of employees don't have location flexibility, and 25% of employees aren't satisfied with their current ability to dictate that flexibility.

According to research undertaken by McKinsey⁸ in 2021, the top three factors employees cited as reasons for quitting were that they didn't feel valued by their organisations (54%) or their managers (52%), or they didn't feel a sense of belonging at work (51%). McKinsey's survey data further indicates that employees' frustrations stem directly from not feeling heard or seen by their company. The businesses that will continue to succeed are those that listen to their people and act on what they say.



⁵ Workday, "Closing the Acceleration Gap: Towards Sustainable Digital Transformation"; 2022.

⁶ LinkedIn, "Employee Well-Being Report"; September 2021.

⁷ Gartner, "Gartner HR Research Shows Organizations Are Eroding Employee Performance and Well-Being with Virtualized Office-Centric Design"; 4 May 2021.

⁸ McKinsey, "Great Attrition' or 'Great Attraction'? The choice is yours"; 8 September 2021.

Developing your employee experience strategy

Employee experience has moved beyond being just a CHRO initiative. CFOs, CIOs and other key business leaders are increasingly focused on providing employees with a personalised, omni-channel experience. Fortunately, we can break down the overall employee experience initiative into more manageable chunks.

In the next part of this eBook, we'll run through the six employee experience factors that recur the most, but bear in mind that they're just a starting point. According to Deloitte, 68% of executives agreed that in the future, workforce strategies will be more customised to individual needs.⁹ To create hyper-personalised employee experiences, the most important step you can take is listening to your employees.



⁹ Deloitte, "The worker-employer relationship disrupted"; 21 July 2021.

¹⁰ Workday, "Six Causes of Employee Burnout Risk and How to Prevent Them"; 2 April 2021.

¹¹ Harvard Business Review, "Beyond Burned Out"; Jennifer Moss; 10 February 2021.

1. Guaranteeing your employees the essentials

Without the essentials, there's no basis for a wider employee experience strategy. These are the base-level necessities that all people should expect from their work, regardless of their geographical location, identity, background or even their job performance. At a minimum, an employer is expected to provide an employee with a salary and the tools necessary to do their work, and in turn, an employee carries out their work as dictated in the contract. However, the model has long since evolved beyond that.

Now employers need to consider how each person functions best, including what the process looks like for digital onboarding versus in person, what the optimal working environment is for each individual, and how the needs of disabled employees are being met. In each instance, the opportunity for self-reporting is important to make sure everyone can voice their own needs. What's considered "essential" can differ from person to person, as well as within different cultures and industries. Even when considering the fundamentals, personalisation is key.

But guaranteeing the essentials doesn't just refer to providing tools and educational resources – it's also about ensuring that support is in place for employee burnout, stress and well-being.¹⁰ A 2021 global *Harvard Business Review* study found that 89% of the 1,500 respondents said their work life was getting worse, and 85% said that their well-being had declined since the pandemic.¹¹ If you treat your people poorly, the effects can be damaging and widespread.

2. Bridging the global workforce

More than ever, the workforce is dispersed. Data from our employee engagement platform [Workday Peakon Employee Voice](#) showed that between 2019 and 2020, there was a 125% increase in comment activity surrounding flexible working (read more in our “Employee Expectations Report 2022”¹²). From 2020 to 2021, that figure remained essentially unchanged. For employees considering where they work and who they work for, flexible working and remote working are priorities that are consistently front and centre.

Recognising the shift in workforce dynamics represented by such a high percentage of employees working remotely – and wanting to do so permanently – requires a focus on digital solutions. If we want to bridge the global workforce, we need to meet each employee where they work and on their own terms, and in a way that works for them. An employee who onboards remotely should be as satisfied as someone who onboards in person, even if that experience is different.

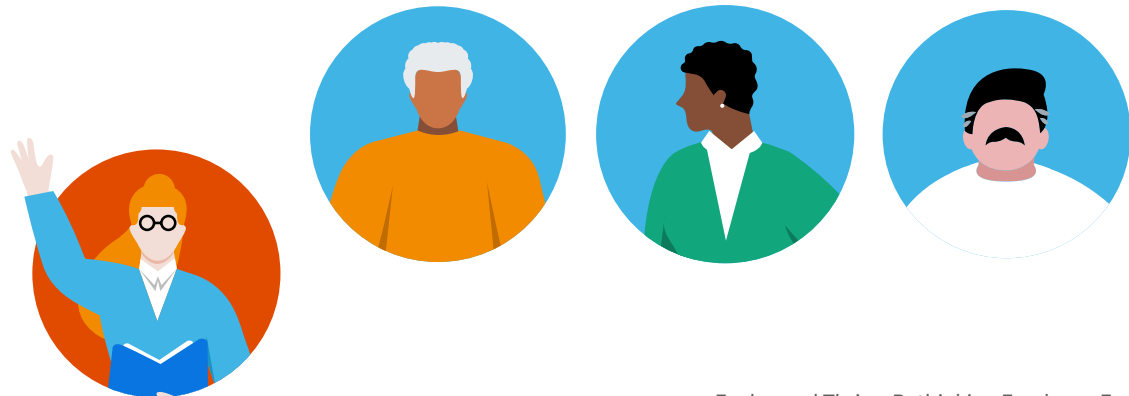
If a company’s disparate and disorganised HR systems and solutions are confusing to an employee who is on-site full time, then they’ll actively hinder and frustrate a remote employee whose entire workflow depends on them. The solution is for IT and HR to partner to provide employees with personalised experiences that increase productivity, align to business strategies and ignite engagement – all to create an organisation that’s highly adaptable at its core. By building that flexibility into their infrastructure, companies will be able to adapt to changes in the world of work far more readily.

3. Providing consumer-grade technology and tools

Our “2021 CFO Indicator Study” of 267 global CFOs found that nearly all respondents (97%) said technology was critical to attracting and retaining talent, and nearly half (48%) were actively looking to invest in such technology over the next five years.¹³ Where clunky interfaces were once par for the course, now employees expect the solutions they use at work to have the same qualities as the apps they use outside of work.

That means user-friendly interfaces, strong integrations between solutions and smooth user experiences on company websites, mirroring online consumer experiences. The expectation is that the data and resources an employee needs to do their job should be easy to find.

This also requires incorporating machine learning. In order to truly meet employees where they work, surveys need to be automated, employee journeys have to be adaptive and hyper-personalised, and self-service options need to be categorised in such a way that smart search functionality pulls the right data at the right time for the right individual. With workforces becoming increasingly tech-savvy, attracting and retaining talent means matching the current pace of technological development with to-the-minute insights.



¹² Workday, “Employee Expectations Report 2022”; 2022.

¹³ Workday, “The CFO’s Guide to Building a Future-Proof Finance Team”; 2022.

4. Enabling skills development and talent performance

Employees who remain with an organisation have growth scores that are 13% higher than the average score of those who decide to leave, according to the Workday “Employee Expectations Report 2022”.¹⁴ With comments about growth accounting for 8% of all employee comments in 2021 – a 2% increase compared to 2020 – employees are speaking up about their needs when it comes to skills development and talent performance. Now it’s time to act.

While career growth conversations have traditionally been fixed to salary increases and promotions, contemporary workers expect more regular opportunities to develop – from learning new skills to using their expertise in short-term sprint projects. Those small moments that matter are often essential to increasing employee retention.¹⁵ By working together, the offices of the CIO and CHRO can build a skills taxonomy, identify where skills gaps exist and enable employees to expand beyond their day-to-day workload, promoting a culture of growth that doesn’t rely solely on financial reward and employee migration.

Skills development isn’t just a major point of contention among employees; it’s also a significant hurdle for people leaders. In our research for “Closing the Acceleration Gap”,¹⁶ 4 in 10 business leaders (38%) said a lack of relevant workforce skills is their biggest barrier to transformation. A further 34% of leaders (particularly in finance and IT roles) said advanced analytics and data visualisation skills would help teams meet continuously evolving business demands. Recognising the rapid pace of the digital landscape involves reinvesting in your existing employees rather than looking to new hires.

¹⁴ Workday, “Employee Expectations Report 2022”; 2022.

¹⁵ Workday, “The Secret to Employee Retention Is Employee Engagement”; 22 June 2022.

¹⁶ Workday, “Closing the Acceleration Gap: Towards Sustainable Digital Transformation”; 2022.

¹⁷ Deloitte, “The Deloitte Global 2022 Gen Z and Millennial Survey”; 2022.

5. Cultivating true belonging and diversity

Businesses that pay lip service to belonging and diversity without committing to sustained change are beginning to see the negative effect on employee loyalty. The “Deloitte Global 2022 Gen Z and Millennial Survey”¹⁷ found that of those millennials who were “very satisfied” with their employer’s progress in creating a diverse and inclusive environment, 52% said they expected to stay beyond five years, with only 17% saying they’d leave within two. For those who were “not satisfied at all”, the inverse was true, with 52% saying they’d want to change companies within two years, and only 11% saying they’d stay past five.

With millennials set to make up 75% of the workforce by 2030, businesses will need to be increasingly conscious of creating a diverse work environment.

To create sustainable change, businesses need to first measure and assess their current position. It can be a difficult, humbling experience to acknowledge past and present shortcomings – especially surrounding such delicate topics. But without proper diversity analytics, you won’t have the data necessary to improve. By partnering across the organisation, HR can use the data acquired by IT to examine and begin remedying bias in hiring practices, creating dedicated belonging and diversity roles, and cultivating a company culture where everyone belongs.

Every person is unique, and an inclusive work environment enables those unique attributes and worldviews to flourish together. If one person doesn’t feel that they can bring their best self to work, then a new approach to belonging and diversity is needed – one that’s built on providing space to share insights on company diversity initiatives and for employees to share confidential feedback. Nobody’s well-being and performance should suffer because of active discrimination or feeling ostracised.

6. Empowering the employee voice

Each of the focus areas above will need dedicated solutions and key performance indicators, but how do you gauge overall employee sentiment about their experience? By measuring employee engagement through regular surveys, not only do you give employees a chance to speak up on the issues that matter to them, but you also foster a culture of psychological safety – where people can actively see how their opinions contribute to wider business initiatives. When you amplify the employee voice, employee experience will always benefit.

But what does empowering the employee voice actually entail?

The first step is committing to a system of regular surveying, utilising machine learning to be sure questions are asked at the right time. By asking employees the right question at the right time, you reduce survey fatigue as well as give them the opportunity to speak to issues when they matter, rather than months after the fact. A survey is only one part of the engagement puzzle – employees should have other avenues where they can raise concerns, including one-to-one meetings with their managers and wider company meetings – but the confidentiality of a survey enables people to voice thoughts they otherwise wouldn't.

Next, you need a platform that gives people leaders access to real-time employee sentiment data, enabling them to tackle the most pertinent issues their teams are facing in a manner that's timely and efficient. With a robust engagement platform, not only can managers break down team scores by topic, industry, country and other factors, they can also benchmark scores against the market standard. Then, by taking action on any highlighted problem areas, employees don't only feel listened to, they also feel heard.



Value of a positive employee experience

When we ascribe value to employee experience, it's often tied to business performance and productivity metrics. But that misses the true value of a positive employee experience: creating a company culture that is built on empathy and sincerity. Recent global research by McKinsey found that only 35% of those who quit in the past two years took a new job within the same industry.¹⁸ People are looking for new pastures and new challenges – organisations that address their employees' needs internally are the ones that will have the highest retention rates.

If you leave this eBook with one takeaway, it should be that the insights most relevant to your business aren't going to be found online – they're with your employees. That doesn't mean ignoring current research around the latest trends in employee experience; it means engaging with your employees at every stage of their employment lifecycle. Provide them with the space to voice their thoughts, prove that you're invested in their professional and personal development, and when you commit to a course of action, keep your employees informed of progress – positive or otherwise.

Employee experience isn't an area of expertise to be assigned to HR teams or a data point to be gathered once a year. All branches of your company, from the CFO to the CIO, need to take a people-first approach when it comes to strategy. Without that, your employees will always face friction in some part of their work day. The best employee experience is one that's scarcely noticed, where each employee feels their needs are being met without resistance, and where any requests or tasks take place as part of their natural daily workflow. Freeing employees of unnecessary obstacles gives them the space to develop into their best self – and in turn, your business will flourish too.

¹⁸ McKinsey, "The Great Attrition Is Making Hiring Harder. Are You Searching the Right Talent Pools?"; Aaron De Smet, Bonnie Dowling, Bryan Hancock and Bill Schaninger; 13 July 2022.

Rethink the full employee experience with Workday

When it comes to rethinking employee experience, Workday provides hyper-personalised, intuitive experiences that keep people engaged at every step in their career. Powered by machine learning, our employee experience solutions can help you empower, support, connect and inspire your entire workforce.

Workday employee experience management solutions help organisations listen, act and analyse. We transform employee experience through intelligent listening and suggest targeted actions based on that sentiment, and then measure the impact of those initiatives on employee and business success.

With Workday employee experience management solutions, you can gain visibility into employee sentiment on the most pivotal areas of overall experience, such as career development, well-being, diversity and inclusion (D&I), support and engagement. Using that foundation of people data, HR can take targeted action to improve experiences in ways that are personalised for each employee. Then HR can measure the impact of each initiative on the most important business goals and objectives, including retention, engagement, productivity, D&I, wellbeing, performance and more.

Your employees and their voice should be the focus of your experience strategy. Whether your company is ready for a full transformation or just taking the first step towards listening and engaging, Workday is here to help.



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