CONSUMERIZING THE EMPLOYEE EXPERIENCE

How best-in-class companies will create an experience that today's employees really want

EXPLORE THE TRENDS

This deep dive explores one of the 10 trends presented in the Ceridian Market Perspectives 2019 Human Capital Management Trends report. The report highlights how different trends will impact organizations in the years to come. As you navigate the changing world of work, this deep dive provides intel for reimagining your approach to HR, as you strategize for your business in the future.
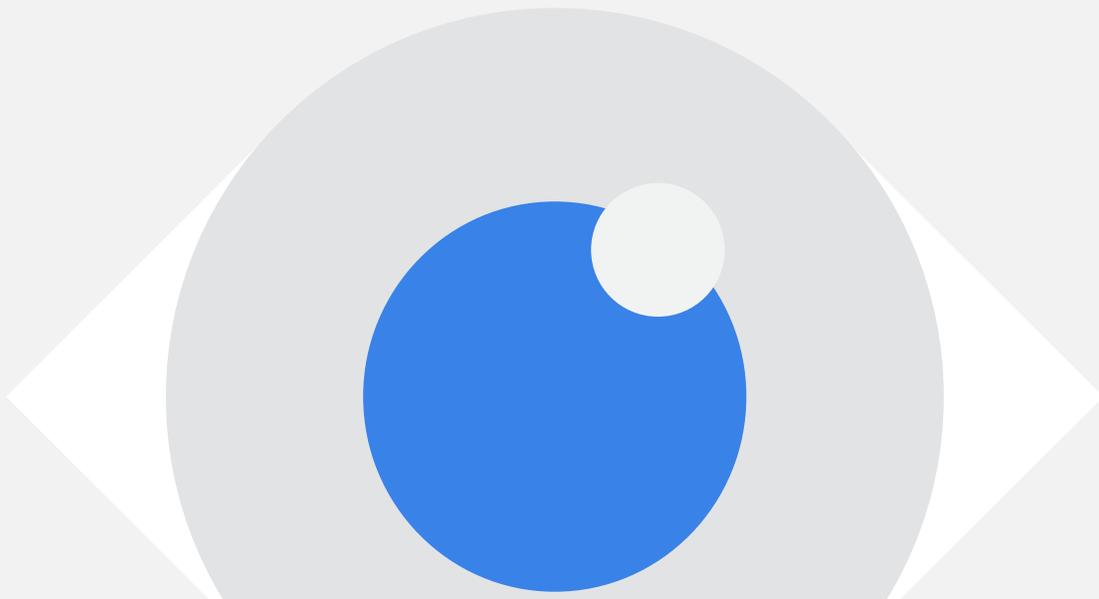
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If your employee experience (EX) was a subscription service like Netflix, Uber, or Spotify, how likely is it that your employees would re-subscribe? And how many "likes" or stars would they give to your service?

Momentum has been steadily building around the concept of EX, with companies citing it as a top business priority. And as HR takes a more strategic role in the boardroom, companies are also hiring leaders focused specifically on delivering EX. Research has shown that companies

that invest in employee experience not only have more highly engaged employees, but are also more profitable.

Why the shift? Employees today expect their experience at work to be comparable to that of their experience as consumers – an experience that's personal, tailored to their needs, and is synced at every touchpoint. Best-in-class companies will attract – and keep – their top talent based in part on how well they differentiate themselves with employee-centric EX.

WHAT IT IS AND
WHY IT MATTERS

A growing focus on EX

Gallup defines EX to include the entire journey an employee takes with an organization, from pre-hire to post-exit interactions. It is an employee-centric concept and represents the sum of all that an employee sees, hears, feels, and believes about their employment throughout the employee lifecycle.

It includes employees' experience with people, processes, and technologies associated with the HR areas of recruiting, onboarding, performance reviews, well-being initiatives, rewards and recognition, and learning and development, as well as areas outside HR such as facilities, finance, and IT.

In recent years, the concept of employee experience has steadily moved up the list of company priorities. Airbnb appointed a Chief Employee Experience Officer (CEEO) in 2015 and since then, many companies have followed suit. This greater focus on EX also aligns with HR's changing role of becoming a more strategic business partner. About 83% of HR leaders say that EX is either important or very important for their organization's success.

Employee experience: The sum of everything an employee sees, hears, feels, and believes about their experience with your company throughout the employee lifecycle

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THE BUSINESS VALUE OF EX

The case for investing in EX

Creating a positive EX has emerged as a top-three priority for leaders in 2019 because it has been proven to improve critical HR and business metrics. Research cited in *Harvard Business Review* shows that companies that invested most heavily in EX were included 28 times as often among *Fast Company*'s Most Innovative Companies, 11.5 times as often on Glassdoor's Best Places to Work list, 2.1 times as often on *Forbes*' list of the World's Most Innovative Companies, and twice as often on the American Customer Satisfaction Index.

Even more compelling is the fact that compared to other companies, "experiential organizations" had more than four times the average profit and more than two times the average revenue.

Experiential organizations had more than four times the average profit and more than two times the average revenue compared to other companies

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HOW TO CREATE AN EXCELLENT EX

Designing EX

What does positive EX feel like? It goes far beyond the Instagrammable, short-term perks like bean bag chairs, foosball tables, or bags of potato chips in the office. A good comparable to EX is Customer Experience (CX). Companies have long focused on ways to improve CX, and the results are the highly intuitive, integrated experiences offered by companies such as Amazon, Apple, and Netflix.

Employees now expect their workplace experience to be comparable to their experience as consumers. In response, HR, in collaboration with other stakeholders such as facilities, finance, and IT, need to offer employees a consumerized experience that is intuitive, integrated, instantaneous, personalized, perceptive, and mobile.

INTUITIVE

Consumer brands are successful when they make it easy for customers to consume their products or services. Companies are increasingly applying the same thinking to HR, by adopting intuitive tools that make HR easy for employees to consume.

The growth of Learning Experience Platforms (LXP) is an example of these intuitive HR technologies rising in popularity. LXPs often have a YouTube- or Netflix-like user interface, which makes it simple for employees to find, consume, and share content, with little training.

Another example is virtual assistants, whether they be text-based or even voice-based. The aim is to help employees avoid clicking through windows and menus, and achieve their objectives by simply conversing with an Artificial Intelligence (AI)-based chatbot. For instance, employees can chat with a virtual assistant to see shift schedules, swap shifts, check leave balances, or request time away from work, without navigating complex screens.

Learn more about virtual assistants in the workplace

INTEGRATED

Forcing employees to deal with disjointed HR services and technologies leads to a poor experience. Companies, in response, are focusing on putting employee-centric processes and technologies in place, that integrate various HR areas and put employee needs at the center.

For instance, during onboarding, employees need to be set up with payroll, access relevant learning materials, and be provided with key company information. A smooth onboarding experience that straddles various HR areas – versus one that requires the employee to deal with each area separately – can create a great first impression and could improve retention. A disjointed experience that forces employees to deal with multiple process and technology touchpoints will likely negatively impact employer brand equity.

In pursuit of such an integrated, holistic approach to HCM, companies are leveraging concepts such design thinking, which is based on developing a deep understanding of the people for whom a product or service is being designed.

Dive deeper into design thinking in HCM

INSTANTANEOUS

In this age of instant gratification, HR services should also be instant – unnecessary waiting periods need to be removed. On-demand pay is a key example of bringing this to life. About 78% of U.S. workers are living paycheck-to-paycheck and consequently suffer from financial instability. Many are even forced to rely on costly overdraft fees and crippling payday loans, leading to high stress and anxiety, and lapses in performance at work.

On-demand pay can alleviate these problems by giving workers more control over when they are paid. Employees can access a payout based on their earnings during the active pay cycle, which eliminates wait periods. This can make the difference in whether or not employees are able to manage their expenses, and give them peace of mind at work and at home. Solutions that reduce or eliminate time taken to deliver HR services and consequently, improve EX, will continue to gain popularity.

Prioritize your people's financial well-being:
Learn more about on-demand pay

PERSONALIZED

HR's approach to employees shouldn't be one-size-fits-all. About 56% of employees feel that their employer should understand them just as well as they are expected to understand their customers. Personalizing HR, or as Gartner defines it, creating relevant, individualized interactions, enhances the employee experience. HR processes should be responsive to changes in each employee's situation, recognize their unique needs, and use knowledge about them to personalize their experience.

Benefits decision support systems are an example of how employers can offer a personalized solution to address an employee pain point. Approximately half of employees lack an adequate understanding of the benefits plans offered by their companies and are confused about the best option for them.

A benefits decision support system can provide personalized benefits plan recommendations to employees based on their health care preferences, financial concerns, lifestyle, etc. Employees can compare plan costs and choose the one that best meets their needs. Such personalized solutions go a long way in enhancing EX.

PERCEPTIVE

Just like the voice of the customer, companies are realizing the importance of capturing the voice of the employee, too. Tools and processes that allow employees' opinions to be captured and acted upon are gaining popularity.

This is reflected in the evolution of employee engagement surveys and employee feedback mechanisms. Though annual/biannual surveys that focus on year-over-year comparisons of broad engagement metrics continue to be used widely, they are increasingly being supplemented by simpler, more frequent pulse surveys on specific issues. The latter make employees feel listened to and provide real-time data on what they are seeing, thinking, and feeling about their work.

With large amounts of often qualitative data being collected in pulse surveys, machine learning tools are also gaining adoption to help analyze this information (for example, to identify patterns or themes in employee comments).

Companies are also increasingly considering continuous feedback as the cornerstone of performance management. Frequent, two-way communication between managers and employees help companies manage expectations in real-time, understand individual growth aspirations, and create personalized development plans, all of which lead to better EX.

MOBILE

Employees should be able to access HR services and technologies easily, especially via mobile devices, considering that about 95% of Americans now own a cellphone of some kind.

For a highly mobile workforce, an intuitive mobile app is a must-have. Such mobile apps can allow employees to clock in and out conveniently. They can help them access key organizational updates quickly through push notifications. They can also deliver just-in-time learning materials, and provide opportunities to collaborate through tools, such as Slack and Microsoft Teams.

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CONSUMERIZING EX:
A PRIORITY FOR FUTURE SUCCESS

Providing employees an experience at work that is comparable to their experience as everyday consumers has steadily become one of the key objectives of HR. But certain activities in isolation won't lead to success. As Josh Bersin notes, EX isn't a program – it's a mindset.

It's about relentless focus on offering a consumerized experience that puts your employees at the center. Companies will need to reimagine HR processes, and adopt the right HR technologies, to get it right and stand apart from their competitors.
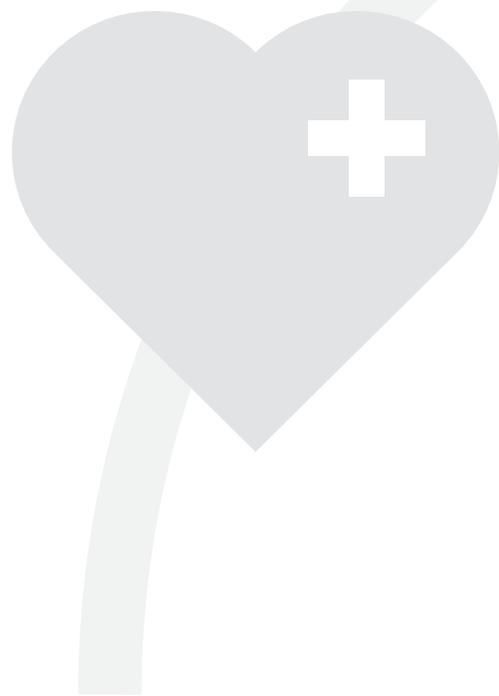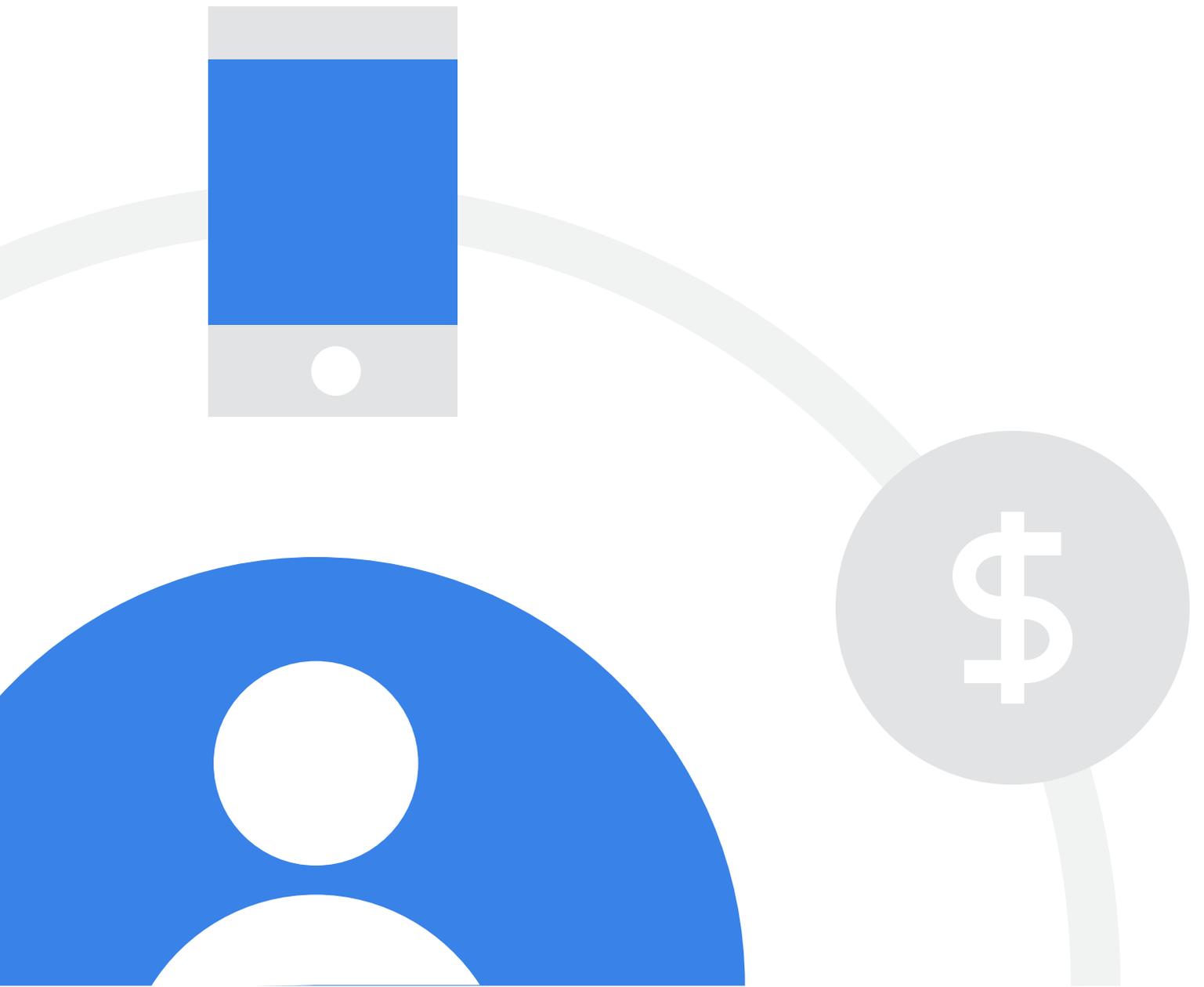
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