exceptional employee
experiences

Everywhere you turn these days, people are talking about employee experience, or EX. Given the state of the economy, it's not surprising that companies are beginning to put their employees first. Globally, unemployment is at its lowest level in nearly a decade, and competition for talent is high.

According to Mercer's 2019 Global Talent Trends Study, 97% of executives say they anticipate increased competition for talent, and over half are worried about the excessive time required to fill open positions. At the other end of the spectrum, turnover remains a top risk, with employees exiting organizations in record numbers. Low or declining employee engagement continues to be an ongoing issue, eroding productivity.

We've observed that companies are investing in programs for their people — through new and diverse rewards, better technology and other initiatives to improve engagement. And yet they aren't packing a punch. About one-third of employees who are satisfied with their employers are still considering leaving their jobs.[1]

This is why companies are starting to focus on the employee experience, recognizing that employees have the same wants, needs and desires as customers. What does this mean? To start treating employees like customers, HR needs to shift its mindset away from optimizing "things" for employees (for example, programs and processes) and, instead, design an end-to-end experience that employees long to be a part of.

This means borrowing from companies' own customer experience playbooks, in which it's not just the product or price that breeds loyalty, but who has the better experience, according to market researcher Gartner. Likewise, the potential business impact that comes with elevating the employee experience is big: Research indicates that organizations leading in the employee experience race have four times the average profitability and twice the average revenue of companies that lag. It's clear that paying attention to the employee experience really pays off.

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[1] Mercer. *Global Talent Trends Study: Connectivity in the Human Age,* 2019, available at https://www.mercer.us/our-thinking/career/global-talent-hr-trends.html.

Shift to an employee experience mindset

Employee experience is the "user experience" of your company — it's the intersection of employees' expectations, their environment and the events that shape their journey within an organization.

Consider your own experience as a consumer. You can order your extra-large coffee from an app, pay for it in advance and bypass the checkout line. The barista greets you by name with a cheery smile and says, "Hope your day gets better," because she knows you order the extra-large coffee only on a tough day.

Then you get to work, where, if you're like many employees, you find yourself frustrated and overwhelmed just trying to stay afloat. You may spend hours trying to figure out the latest technology that was supposed to "transform the way you work." And that project you've been working on for months? Your competitor just beat you to market while you've been stuck in a loop waiting on another department. After all, almost two in five employees say their jobs get tangled up in bureaucracy.[2]

Imagine if your work day mirrored your coffee stop, with convenient, targeted and positive experiences.

Amazing customer experiences are not accidental. They are planned and methodical, and they utilize human-centered design techniques. Today's HR leaders can learn how companies create better experiences along the customer journey and apply that to the employee journey. This could include anything employees encounter, observe or feel over their time with an organization, which starts with their first interactions as a candidate and continues to when they exit the company — and potentially beyond. This demands a pivot in how HR operates, with four major areas of action:

01/ Treat employees like customers

This means first gaining a deep understanding of who your employees are, what they want and their pain points. When we address pain points and solve problems for our employees, they, in turn, are free to focus on solving problems for customers and the business. Just as we've moved away from "one size fits all" for our customers, forming personas enables organizations to do the same for their employees. These employee personas will often need to extend to other "customers" of HR, such as freelancers, contract workers, candidates and even alumni.

02/ Understand the experience from the employee's perspective

This may sound intuitive, but putting yourself in an employee's shoes opens up a different view of the problem, one that often crosses organizational silos. For example, in a recent journey-mapping exercise of a client's onboarding process, Mercer found that one of the biggest pain points had nothing to do with the onboarding process itself — it was that employees had to bear travel costs up front before being reimbursed, and that created financial strain. HR can no longer afford to abandon employee issues that fall outside its domain but, instead, must become an advocate for working across finance and IT to solve them.

03/ Realize that not all experiences are created equal

Some experiences are more impactful and drive greater emotional engagement (or disengagement) with the organization. These are moments that matter — for example, an employee's return from parental leave — and they should be punctuated with high-touch personal interaction. On the other hand, some experiences are about efficiency; these experiences should be simplified and automated to make them as seamless as possible — for example, navigating employee benefits from your phone just as easily as you can explore purchase options on Amazon. The result? By focusing on the desired interactions within a particular experience, HR can differentiate when interactions need a human touch and when being digital makes sense.

04/ Co-create solutions

HR should bring both leaders and employees to the table to design better employee experiences. This not only drives more innovative solutions that often resonate better with employees — since it involves the target users — it also facilitates the change process by streamlining testing needs and socialization efforts. This makes it possible to move from concept to execution more quickly. In today's fast-paced business environment, this type of agility is key to success.

Create experiences your employees crave

We have seen a shift in what employees say would make them stay with a company. Historically, this was higher compensation or more benefits; increasingly, it is a sense of security, opportunity to grow professionally and flexible working — with pay ranked fifth as a reason to stay.[3] Further, our research has shown that it's often the experiential elements of work — such as career development, meaningful work and a sense of belonging — that have the highest impact on employee commitment and intent to stay.

We've found that — regardless of job or industry — employees are looking for an experience that is:

Enriching

People seek meaning and fulfillment in their jobs and want to achieve a higher purpose. Aligning work with a company's higher purpose helps employees see the big picture and feel like they are learning, growing and making an impact.

Efficient

Employees want tools and resources that help them do their jobs better and faster. Ensuring that employees have the same type of consumer-grade technology they are used to — as well as company processes and policies that empower them to do their jobs — reduces friction and frustration in daily work.

Embracing

Employees desire a sense of belonging and community, as well as a culture that welcomes them to bring their whole selves to work. Efforts such as onboarding, mentoring and social activities can help employees quickly feel welcome and connected to their coworkers and the organization.

Empathetic

Technology has blurred the lines between work and home, leaving employees constantly connected to the job. But when their personal lives come rushing in, they want the support and understanding that this flexibility is a two-way street.

Enriching
Help me learn, grow and have an impact with the work that I do.

Efficient
Provide me with a frictionless work environment.

Embracing
Make me feel like I belong and can bring my whole self to work.

Empathetic
Support me with caring for myself and what matters in my life.

Design an employee experience that delivers measurable impact

An employee experience mindset is critical to designing investments that impact the C-suite's agenda. By focusing on the problem you're trying to solve through the lens of an employee's experience, it's easier to peel back the layers and uncover the crux of an issue.

While measurement of employee experience is a fairly new concept, initial research on its impact is staggering. A study from MIT shows that in addition to increased profitability, companies with high EX ratings have twice the innovation and customer satisfaction compared to their lower-rated peers.

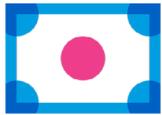[3] Mercer. *Global Talent Trends Study,* 2019, available at https://www.mercer.us/our-thinking/career/global-talent-hr-trends.html.

A focus on employee experience is good for business
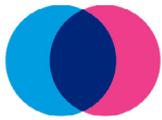
 Increased engagement

 2X **Innovation**[4]

 4X **More profitable**[5]

 2X **Customer satisfaction**[6]

 Enhanced brand

Employee experience is more than the latest HR catchphrase. It's a mindset shift, and it's critical to creating an environment for people to thrive. It's time to rethink how we solve employee issues by putting our people at the heart of the design. The world of work has created an environment where experiences are king, and winning requires us to balance empathy with economics. Changing the way we invest in our employees will yield a greater return for the business far into the future. Ask yourself: What's keeping your employees' experience from being as delightful as your customers' experience?

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[5] Jacob Morgan. *The Employee Experience Advantage,* 2017.

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