

This changes everything

Why the employee eXperience has
never been more important

Highlights report from the 3rd edition of the Global Employee eXperience Research

KINCENTRIC➤

A Spencer Stuart Company

With change comes opportunity

COVID-19 has changed everything, everywhere. It's changed the way people think, feel, act. It's changed their expectations and desires. And it's fundamentally changed the way that organizations should be engaging with their employees.

To succeed in these uncertain times, employee eXperience (eX) should be a key enabler of your business strategy.

Why? Because it has the power to connect to an organization's purpose, increase employee engagement and have an impact on business results. During COVID-19, the drivers for eX have changed and businesses need to act now to stay ahead.



Although 8 out of 10 employees felt positive about their employee eXperience during the initial stages of COVID, similarly to the 2008/09 financial crisis a sustained steady decline can be expected in eX and employee engagement in the coming months.

For employees, challenges include increasing stress, higher workload, less human connection and prolonged uncertainty, leading to overwhelm and burnout. For organizations, enabling leaders to navigate through uncertainty, accelerating hybrid strategies and evolving HR is key.

Over **50%**

of companies view COVID as an accelerant for culture, talent, eX and leadership

of organizations are actively preparing for the future by either testing or adopting new programs and practices as a new talent and eX normal

For those not afraid to embrace this neXt normal – the results can be eXtraordinary.

Organizations must move fast to adapt and re-assess the way they...

Think



Plan



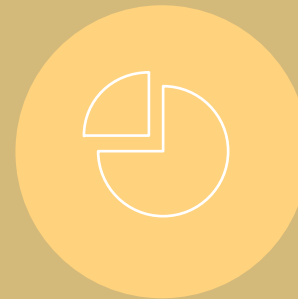
Lead



Operate



Measure



Think

Plan

Lead

Operate

Measure

Challenge the way you **think**



Challenge the way you think

Creating an eXtraordinary employee eXperience (eX) doesn't happen by accident. It's the result of clear strategic decisions across the entire employee lifecycle. And more than that, it's about constantly delivering on that promise across the moments that matter for employees.

The majority of organizations have a lot of work to do before they reach this eXtraordinary level. Strategy, delivery and measurement all need attention if organizations wish to maximize the benefits of eX.

Organizations with leading eX practices*

and with a relentless focus on employee eXperience are leading in this area.

79%

of them offer a differentiated eX

* companies that answer affirmatively to questions related to eX strategy, delivery and measurement

Organizations with standard eX practices



have a clearly defined eX strategy



deliver on the employee eXperience they promise



have a clear survey/pulsing strategy aligned to their eX strategy

Organizations with leading eX practices

point to several leading solutions to be considered for the neXt normal



7/10

have identified the key moments that matter for key employee groups compared to 3 out of 10 for companies with standard eX practices



8/10

say they are effective at leadership/HR capability in delivering eX compared to 4 out of 10 for companies with standard eX practices



7/10

say their current measurement triggers clear actions for owners compared to 4/10 for companies with standard eX practices

Three ways to think

challenge the way you



01

Be intentional about the experiences you want your employees to have, as those are going to shape the desired culture of the organization on an ongoing basis.

02

Connect eX to the organization's purpose. We live in uncertain times and it's more important than ever to have a clear purpose that will inspire and motivate employees.

03

Clarify accountability and governance for eX strategy, measurement and delivery.

Think

Plan

Lead

Operate

Measure

Accelerate the way you **plan**



Accelerate the way you plan

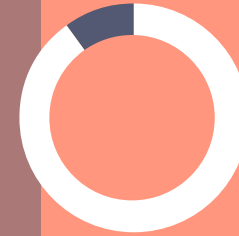
Although just one out of three organizations have a clear eX strategy, aligning eX with business needs is becoming a higher priority for many organizations.

The number one intended employee eXperience outcome in 2020 is better employee connection to business strategy.

This clearly highlights the importance of purpose and direction in the post-COVID era.

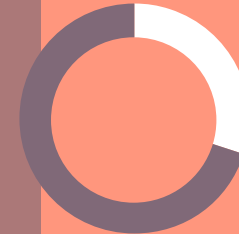


While organizations pay more attention to defining their eX initiatives, showing business value from eX is still a struggle for many.



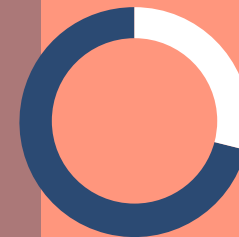
90%

have defined eX priority tactics for 2020



30%

are prioritizing to determine the business impact/ROI of eX



29%

are prioritizing to gain senior leadership buy-in and sponsorship for eX initiatives

To successfully navigate the next phases of the COVID pandemic, companies must build the organizational capabilities needed to execute their strategy and adapt to uncertainty. How? By focusing on the people who can help build or reinforce these capabilities and improving the eX moments that matter for them.



Highest priority employee segments

- High performers
- High potentials
- Leadership pipeline

Top priority moments

- Interactions with leaders
- Performance management
- Onboarding
- Development

Emerging segments

- Virtual workers
- Essential workers
- Diverse workforce segments

Emerging moments

- Inclusion
- Well-being
- Work/life integration
- Virtual work technology experience

Following a deliberate approach will enable the development of the right capabilities that are needed for the strategy, activate the target culture and bring the desired employee eXperience to life for the rest of the organization.

Three ways to **plan**

accelerate the way you



01

Identify the employee groups most critical to your business strategy.

02

Map out your employee journey and define the moments that matter for these groups.

03

Identify the gaps between the current and desired state of eX and prepare an eX improvement roadmap supported by a change and enablement strategy.

Think

Plan

Lead

Operate

Measure

Evolve the way you **lead**



Evolve the way you lead

During the early stages of COVID, leaders showed unprecedented care and concern towards employees. Human connection, empathy, understanding, candor and resilience are all words and phrases that have been used during the pandemic.

These behaviors not only improved the employee eXperience positively during lockdown, but have become the number-one driver of employee well-being. Now that this empathy has been shown, employees will accept nothing less.

Leaders have shown that they're capable of leading differently, and this needs to be sustained in the next stage of the crisis and for the years to come.

For leaders across all sectors, **the attributes for successful leadership have shifted permanently towards a more caring, confident and connected style.**

To deliver a great eX in post-COVID-19 recovery, leaders need to:



**Inspire
& engage**



**Empower
teams**



**Create emotional
connections**



**Demonstrate
agility**

Companies will need to support leaders, reflect on these critical experiences, embed the learnings and accelerate personal growth.



Only **36%**

of organizations say
their leaders are ready
to create a great
employee eXperience

49%

of organizations
intend to invest in
leadership development
in the next 12 months

Three ways to

evolve the way you

lead



01

Capture success stories of caring leadership, then communicate and share them regularly through multiple channels.

02

Invest in deepening these new leadership skills through intensified leadership development.

03

Define and embed the changes into updated leadership competency models.

Think

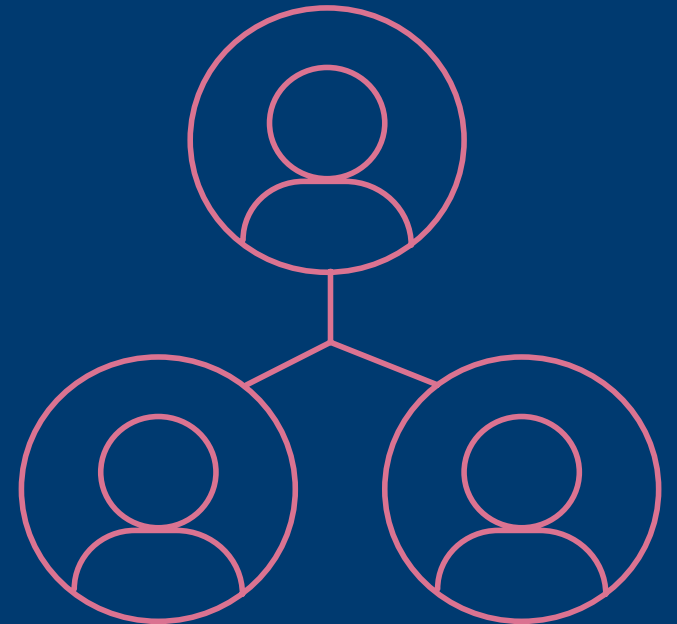
Plan

Lead

Operate

Measure

Improve the way you **operate**



COVID-19 has changed the very fabric of how companies operate, with the most obvious and tangible change being the move to a “hybrid” workforce.

Attracting, onboarding, managing, enabling and retaining talent in a hybrid environment (part virtual, part on-site) requires rethinking eX through a hybrid workforce lens.



9/10

HR professionals see a neutral to positive impact on work/life balance and productivity from virtual work



4/10

HR professionals see a negative impact on personal connection to colleagues, their manager and senior leadership vision

51%

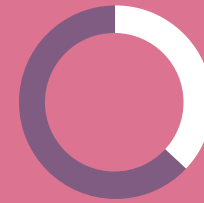
of organizations are accelerating digital solutions

The agility with which HR responded to the crisis was **impressive**

Globally, HR rethought roles and responsibilities and deployed integrated programs and teams in an agile, accelerated way. The sustainability of these achievements will be vital for managing eX in the new hybrid workforce.

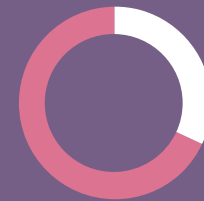
However

Only **42%** rate themselves effective regarding the HR capabilities needed in the future



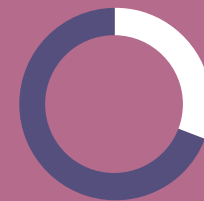
37%

plan to invest in enabling HR infrastructure in the next 12 months



32%

intend to revisit HR capability building



31%

will invest in optimizing their HR operating model

Three ways to

improve the way you

operate



01

Review the HR priorities, structure, operating model, roles, responsibilities, programs and processes and ensure they are aligned for new business and people strategies.

02

Break down silos to develop and deliver meaningful people solutions – capitalizing on new muscle built during crisis management.

03

Double down on critical enablers of HR so that your service delivery and people solutions align with your desired eX.

Think

Plan

Lead

Operate

Measure

Enhance the way you **measure**



Enhance the way you measure

With COVID-19 demonstrating just how fast the world can change, annual employee surveys, which result in generic insights and not enough agile action, have quickly become a thing of the past.

The future is measuring more efficiently and faster, with better intent to support targeted action. Continuous dialogue facilitated by more frequent pulses allows organizations to form hypotheses and cultivate specific actions from stakeholders much faster.

Over
half

of organizations intend to measure targeted lifecycle events multiple times a year in the future



Only **38%**

of organizations have the right surveys/pulses to provide a holistic understanding of the employee experience across the lifecycle



Only **38%**

of organizations believe that their employee surveys trigger clear action interventions

It's time to pivot towards
a more agile eX conversation
that delivers instant insights
and triggers clear action into
the most important factors
of the employee eXperience.

10%

of Kincentric's clients are

improving employee
engagement by
11% points or more,
year on year

by adopting agile listening
and action strategies



Three ways to enhance the way you

measure



01

Make the move toward more frequent pulsing and actioning of the employee eXperience.

02

Make your surveys more specific to the most important employee eXperiences that will impact the performance of your organization.

03

Add more rigor and accountability to employee eXperience improvement actions. The data gathered is only as good as the change it accelerates.

eXtraordinary change leads to eXtraordinary results

eX ensures an employee-centric view of what the employee needs and wants to do, but it isn't just about making employees happy. It's about accelerating innovation, business growth and organizational profits. It is a two-way street where the value lies in finding the match between the needs of the employees and the needs of the business.

Designing and delivering experiences brings the right culture forward and if done right, improves business performance, employee retention and client satisfaction.

Effective eX delivers growth

Leading up to the pandemic our research showed that improving the employee eXperience accounted for meaningful differences in organization performance.

+2 points

EBITDA margin above industry average when the eX strategy is linked to the business strategy and strongly supported by senior leaders

+7 points

REVENUE growth when employees have great experiences with HR processes

+2 points

EBITDA margin above industry average when eX feedback is grounded in talent segmentation, experiences to measure, frequency of feedback and clarity of action-taking accountability

As companies now adapt and look to restore performance levels, we expect that improving the employee eXperience will act as a differentiating factor in how quickly organizations can recover.

Organizations shouldn't let this hard work go to waste. By continuing to adapt and reassess the way they **Think, Plan, Lead, Operate and Measure**, they will continue to see a profound impact on their business performance.

Start changing your approach to eX today

1 Start with the employee

Empathize and understand the employee's needs to make them feel well, included, elevated and inspired.

2 Build your "hybrid" eX strategy

Re-think your attracting, onboarding, managing and retaining strategies for the digital experience.

3 Accelerate people-centric leadership

Develop leaders to navigate through change with human connection, energy, empathy and support.

4 Evolve HR for integrated delivery

Enable HR to integrate the processes, programs, capabilities and technology required to deliver a cohesive eX.

5 Gather feedback more frequently and act with greater intensity

Business is changing faster than ever. Listen regularly and use results to support targeted action.

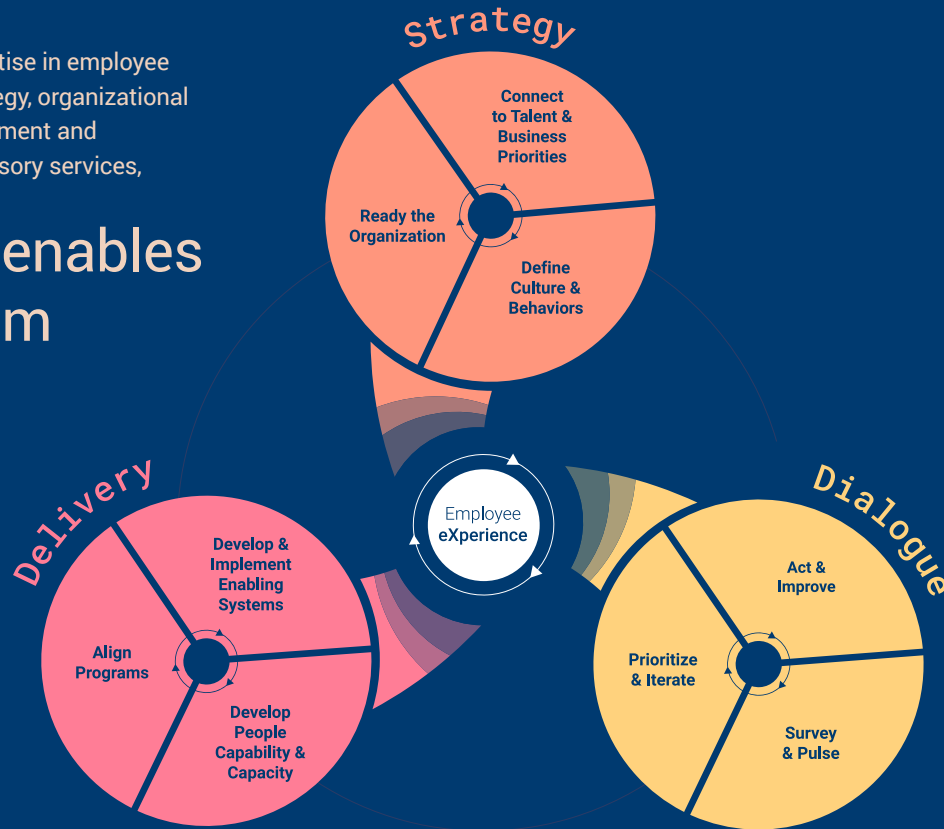
6 Embrace the system-wide change

eX requires a shift in mindset and behaviors across multiple stakeholders (C-Suite, HR, leaders, managers) and impacts multiple levers. Start the conversations now.

START CHANGING TODAY

Through decades of expertise in employee engagement, people strategy, organizational culture, leadership assessment and development, and HR advisory services,

Kincentric enables change from the inside.



eX strategy

Aligning an eX strategy with a clear connection to business, purpose and talent strategy with a focus on readiness to deliver.

We help clients **succeed** through:

eX delivery

Optimizing and integrating your HR function.

Activating leader and manager capability and capacity to deliver.

eX dialogue

Designing and implementing a Continuous Dialogue strategy – supported by cutting-edge survey/pulsing/action technology and data science.

To discuss your talent, leadership, HR and eX challenges, contact Kincentric at contact@kincentric.com or visit kincentric.com

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About Kincentric

Kincentric, a Spencer Stuart company, approaches human capital different – we help you identify what drives your people, so they can drive your business. Our decades of expertise in culture and engagement, leadership assessment and development, and HR and talent advisory services enable us to help organizations change from the inside. Our global network, proven insights and intuitive technologies give us new ways to help organizations unlock the power of people and teams. For more information, visit kincentric.com.

About the Research

This report is an extract from the 3rd edition of the Global Employee eXperience Research conducted in May-June 2020. Brought to you by Kincentric, the report surveyed more than 800 HR professionals and CEOs from 42 countries, providing insights into the experience of 10 million employees across the globe.

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