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# #evolve





# BE A UNICORN

## THE GOAL OF EMPLOYEE EXPERIENCE

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**E**very day, organizations around the world face the looming threat of business disruption, whether it's from a hot startup that's popped up overnight or a known industry competitor that's released a new product or service. Add regulatory changes, economic upheaval, technological advancements and every other external factor that influences day-to-day business, and the hurdle of staying ahead can seem insurmountable.

For as long as businesses have been around, they've continually looked outside their walls for threats to their success. Today, organizations are more frequently looking internally and

becoming increasingly aware of one critical force that's always been in plain sight: their people.

Regardless how fabled or factual, we all have a memorable tale about the workplace experience, whether exceptionally good or alarmingly bad. These experiences aren't a result of one big decision, policy or mandate; rather, individual employee experiences are the cumulative result of the big and small moments that occur in any given workday. And employee reactions to those big and small moments are increasingly viewed as another cause of disruption — which can be an exceptionally good or alarmingly bad thing.

# IN AN EFFORT TO UNLEASH THE POWER

that talent can create — or conversely, stem the disruption that talent can cause — today's high-performing organizations are wisely putting people at the center of their business strategies. These leading organizations view and treat employees as customers, and they apply what they learn to deliver an exceptionally good experience that helps talent flourish and organizations prosper.

So, what is this elusive X-factor that sets apart these unicorns of employment? And, how can your organization become a place that merges what talent wants with what the business needs to drive high performance across both?

## A Change in Thinking

It's sometimes easy to forget that there are human beings on the receiving end of our human resources and total rewards (TR) programs. Today's talent pool reflects a diverse ecosystem of people from around the world, with each person bringing their own personal expectations. People are further distinguished by how they show up and contribute on the job: full-time, part-time, contingent, vendors, early-career, mid-career, late-career, retirees, recruits ... the list goes on and on.

High-performing organizations recognize that, beyond unique backgrounds and personal experiences, employees expect employers to deliver the same things they expect in life: a personalized, tech-enabled, easy-to-navigate, always-on work experience that delivers what they need, when they need it.

Given these demands, it's critical that employers take a fresh view on the employee experience (EX) — part and parcel with workplace culture — and understand that the definition of a positive experience is very much in the eye of the beholder. It also transcends a mere value proposition.

To successfully achieve this change in thinking, employers are increasingly taking a user-focused approach that puts the talent experience front and center. They accomplish this focus by gathering

data, including customer stories and user journeys. Beyond looking at the usual suspects of TR programs, forward-thinking organizations listen to what people consider important, then build and deliver a positive and effective EX that recognizes and values individuals and their unique wants and needs.

There are four dimensions of EX that represent the fundamentals of what talent looks for in all organizations, according to extensive research conducted by Willis Towers Watson. Generally, high-performing organizations set themselves apart by their ability to inspire, build trust, help people achieve their potential, and be agile and innovative in the market. (See Figure 1.)

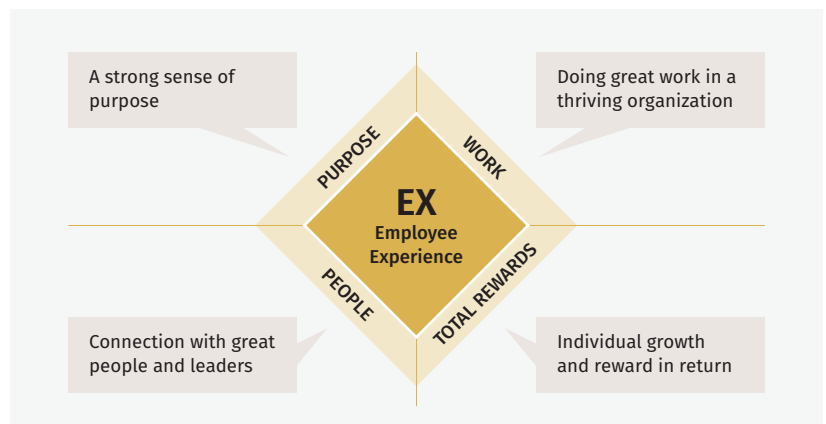
Each aspect contributes to the organization's culture, the way things are done. In turn, an organization's culture directly affects the customer experience, shareholder value, business-partner relationships and, ultimately, business results.

Culture, which Peter Drucker famously noted “eats strategy for breakfast,” is defined by an organization's:

- Leadership;
- Mission, purpose, objectives, values and strategies;
- Structure;
- Brand promise; and
- Programs, practices and policies.

Note that “programs, practices and policies” is the last item in the list. This is intentional. In high-performing organizations, the differentiators that most powerfully affect employees start with things like how they're paid or how the organization is structured. But that is the minimum. The key differentiators go far beyond the basics of rewards and tend to be more philosophically based and woven into the fabric of the organization. (See Figure 2.)

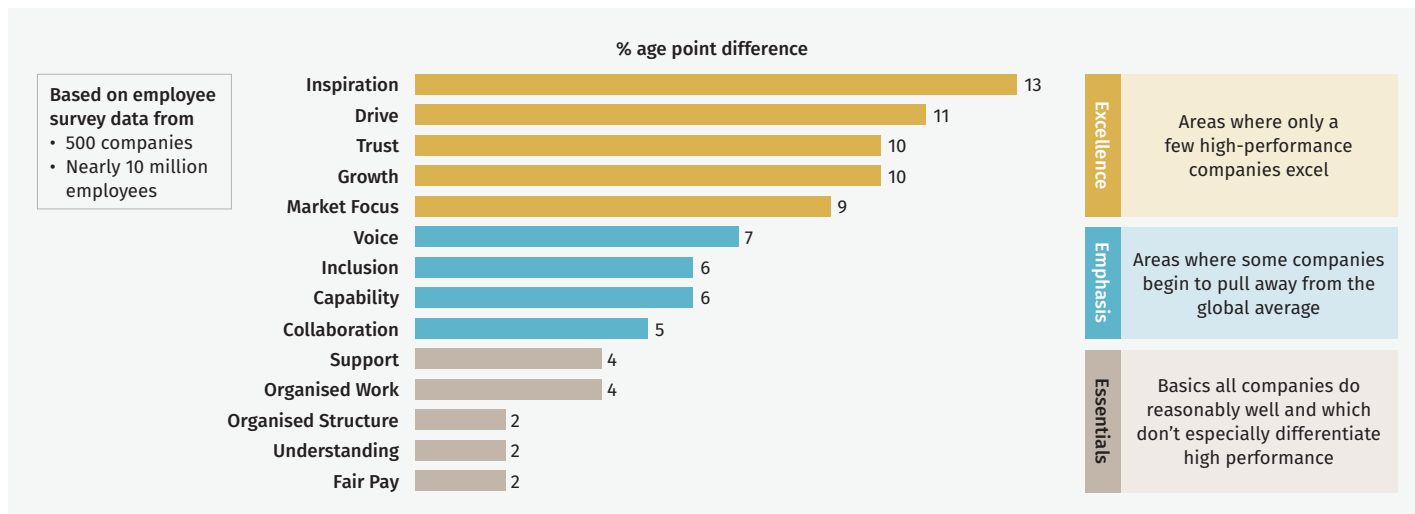
Figure 1 | Employee Experience



Source: “Breakthrough Research: How High-Performance Companies Found Their X-Factor,” Willis Towers Watson.

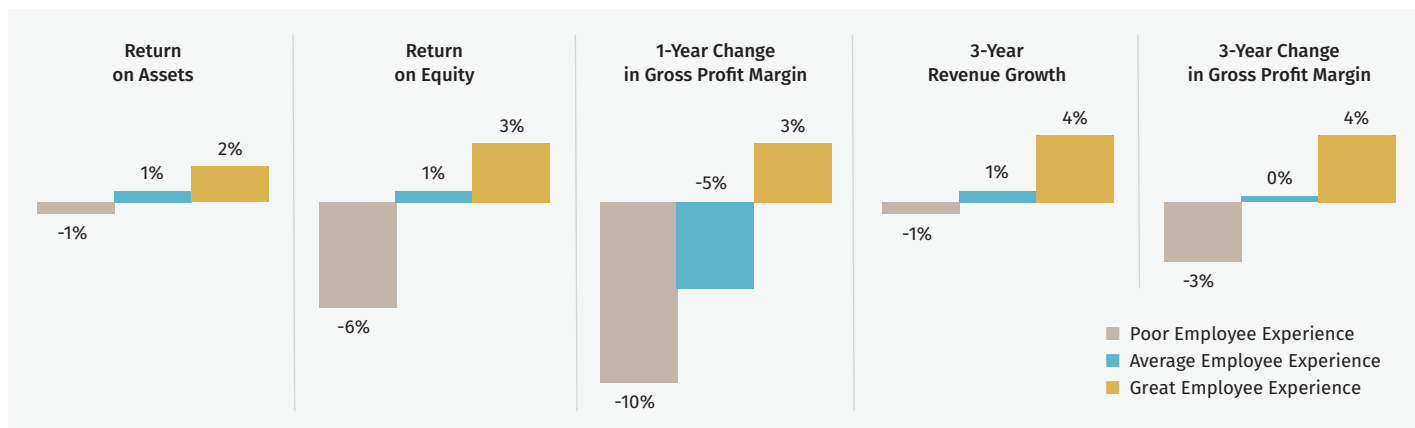


**Figure 2 | EX Factors That Make the Difference**  
Global High Performance norm companies vs. Global average (% favorable)



Source: "Breakthrough Research: How High-Performance Companies Found Their X-Factor," Willis Towers Watson.

**Figure 3 | Comparison vs. Sector Average**



Source: "Breakthrough Research: How High-Performance Companies Found Their X-Factor," Willis Towers Watson.

Not only do high-performing organizations successfully attract the best and the brightest, they also are able to predict financial success when they put their talent first. (See Figure 3.) And our research has found that talent-centered organizations are:

- 3x as likely as other organizations to report employees are highly engaged.
- 93% more likely to report significantly outperforming their industry peers financially.
- 10% less likely to report difficulty attracting and retaining key employee segments.
- Experiencing 27% fewer regrettable new hires in the first year.
- Seeing 17% lower voluntary turnover.

### Getting From Here to There

Taking a user-centered approach to EX fundamentally begins with a design-thinking mindset, according to IDEO, a global design company. A human-centered core,

design thinking encourages you to focus on the people for whom you're building. It involves first understanding employees' needs, and then builds what is technologically feasible and economically viable. Design thinking requires a shift in mindset to tackle your organization's employee experience from a new direction.

To embrace a design-thinking approach, you first must say goodbye to a few things. In the spirit of Marie Kondo, author of *The Life-Changing Magic of Tidying Up*, begin by throwing out the unnecessary processes that are still in place simply because they've always been in place. At the same time, hold on to aspects that employees continue to value. This decluttering — something that is sorely needed in HR — is something that should be done continuously, always with an eye to only keeping those experiences that lend true value. From a practical standpoint, there is information readily available to help you shift your focus to a new EX that supports an employee-centered approach.



### Insights

Dig into data, but don't get mired in the numbers; it's critical to understand how employees feel and behave. For example, the majority of staff may have signed up for the latest well-being initiative being offered, and perhaps that initiative was based on an employee survey that expressed strong interest in a heavier focus on health and well-being. These numbers all can inform decisions.

However, if a delivery service continues to show up at lunch time with bags from the local fast-food restaurants or the vending machines are continually out of candy bars, employee behaviors tell you something, too. Anyone can answer a survey and say they want to be healthier, but a steady diet of cheeseburgers and chocolate bars tells another story.

It's imperative to continue to listen to employees about what they want. But also take the time to watch behaviors, have casual hallway conversations and take a genuine interest in what employees are doing to gain deeper insights that will help better inform where you focus your attention.

### Process

When thinking about process, refer to Figure 1 and the fundamentals of what talent looks for in all organizations. Frame your process around employees':

- **Needs:** Do employees understand what's available to them? What do they need in order to feel successful at work and supported at home? This includes an understanding of what they're doing well, what they could be doing better, understanding their role in the organization and knowing what they care most about.
- **Pains:** What keeps employees from understanding what's available to them? How strong is manager feedback? Do employees know about opportunities for advancement, either by taking on new roles or simply taking on new projects? Employees' pains reflect the things that they perceive — whether real or not — as holding them back.
- **Gains:** When employees know they have development opportunities, advocates and a career path, they are likelier to take risks and push development opportunities. They feel enriched and satisfied — and look forward to coming to work every day.

### Digital Tools

Like it or not, the digital age is here, and employees aren't looking for a corkboard with job postings and health-care updates anymore. High-performing organizations rely on apps, dashboards and AI-powered interactive assistants for a variety of reasons. From delivering continuous feedback to delivering a tailored suite of virtual and augmented-reality learning experiences that will upskill and reskill existing

talent, high-performing organizations know to meet talent where they are: online.

### Applying a Design-Thinking Approach

Good product designers have a natural interest in how people make decisions about what products to use and the psychology behind those decisions. The reasons for individual preference are numerous, complex and go far beyond the workplace lens. To create the most human-centric HR programs and processes, you must use human-centric design. Once you understand how employees are thinking and where their interests lie, it's time to think about the experience the organization offers and how you can take it to the next level.

### Define the Problem

Defining the challenge starts with listening to your customer — in this case, the employee. Leverage data that you already have or gather new data to define patterns and gather insights that will shed light on EX. Build a case that clearly defines the challenge you are solving, why it's important, what you know from existing data and what you don't know.

Some examples of insights you might like to have:

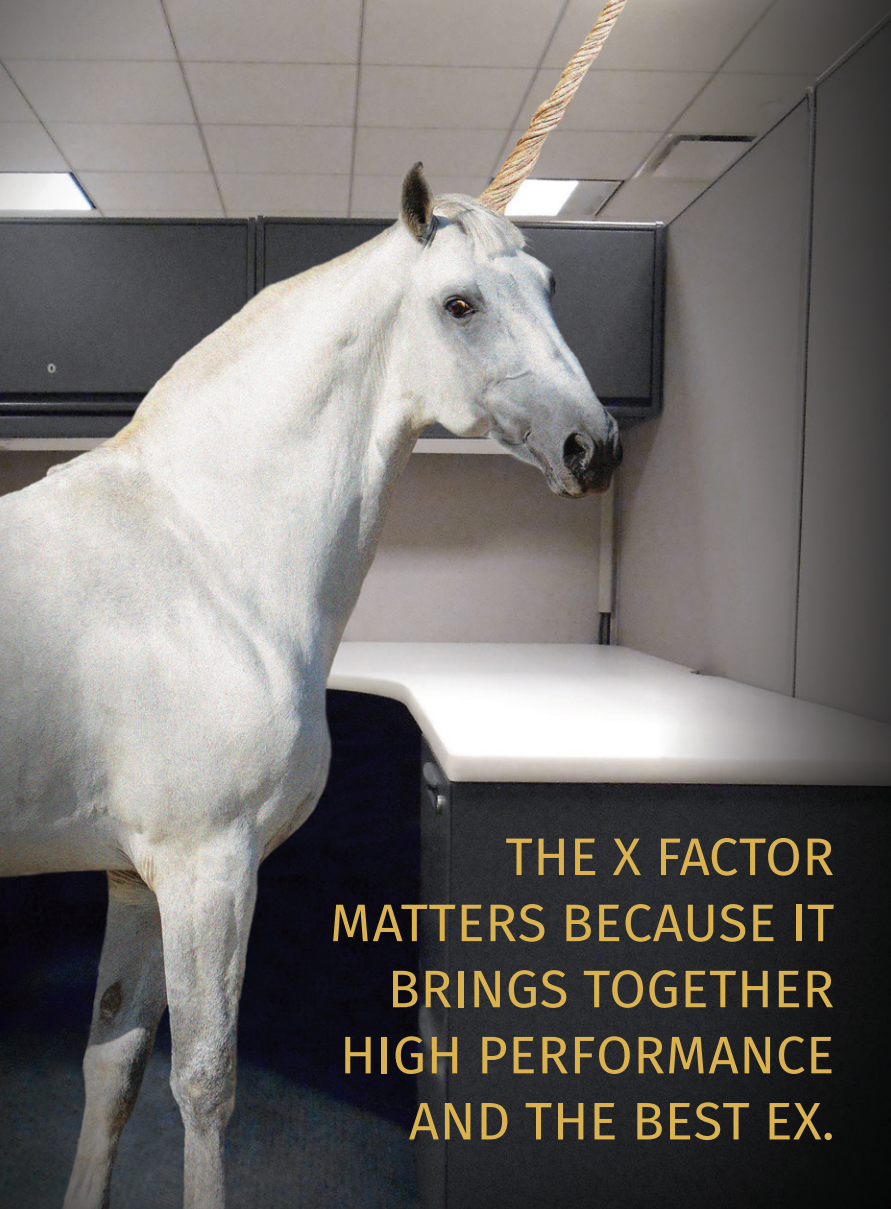
- Are we keeping up with the business growth ambitions for a key market?
- Are we seeing attrition among our high performers?
- Are we creating the right culture of innovation to help people bring products to market?

As you identify pain points for the organization, involve the right stakeholders both in HR and in the business to build consensus around the fact that a solution is needed.

### Be Human-Centered

Consider how you engage people to get to more empathy on how people feel. Things like virtual focus groups, interviews or idea jams with users to build journey maps on the moments that matter. As you have your conversations, put what you're hearing against your hard data. Does it align? Or are there misalignments between what the data tells you and what people are saying? Listen to





## THE X FACTOR MATTERS BECAUSE IT BRINGS TOGETHER HIGH PERFORMANCE AND THE BEST EX.

the leadership team and hear the words they're using and the feeling behind what they're saying — all while accounting for their own unique perspectives. Go beyond the survey to understand needs at all levels of the organization.

### *Design with Employees' Needs in Mind*

Co-create solutions that will work rather than building them in a vacuum. Hold workshops to build prototypes and engage your employees in shaping solutions like you would your customers. Act quickly to resolve pains and highlight gains. When it comes to unmet needs, have brainstorming sessions and offer new prototypes to test. And, if a process isn't delivering added value, don't be afraid to end it.

### *Experiment, Evaluate and Refine*

Don't boil the ocean; rather, simplify your process and, when you have a new idea to test, choose a business unit, market or small group. If it fails, well, at least you tried — and you failed fast and small rather than big. Capture learnings from your employees and use that to revisit, refine and relaunch.

### *Deliver a Competitive Advantage*

As you prepare to launch your new TX — a re-tooled EX — on a large scale, create a change strategy and roadmap. Differentiate what you're doing today from what's been done in the past by focusing on your customers and highlighting what they see as wins for the entire talent pool. Ensure that all of your stakeholders are informed along the way — even as you hit bumps in your journey that force you to course-correct.

Finally, taking a new approach to the talent experience is only as good as the effect it has. Critically evaluate talent sentiment and behavior about how they feel about the organization's mission, values and sense of purpose (as articulated by leadership) after you've launched your TX. Ask employees about their level of pride in working for the organization and in the work that they're doing on the job.

### *Identifying Your X-Factor*

Distinguishing your organization as an employer of choice requires you to look beyond the traditional

compensation, benefits and work-life programs companies have long touted as differentiators, focusing instead on the X-factor.

The X factor matters because it brings together high performance and the best EX — things that the most successful organizations will require to thrive. In practice, it means that beyond competitive programs, we need to focus on how employees experience those programs and find ways to hyper-personalize them for even greater relevance and meaning. It means reinventing the complete experience using digital methods that feel more like consumer grade and applying a product design mindset to help secure the hearts and minds of employees.

Organizations that decide to take on the challenge will see the benefits of a design-thinking approach that puts employees at the center of thinking. Those that don't? They'll find that disruption comes from the most uncomfortable place: within their own walls. ###

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