Viewpoints

Creating a winning employee experience

Part 2: Redefining purpose, work, and rewards to retain talent

By Abhishek Mittal, Vidisha Mehta and Shai Ganu

At Willis Towers Watson, we send employee surveys to nearly 10 million employees a year, across more than 500 companies. Earlier this year, we carried out some breakthrough research with this data. We selected companies that had high levels of engagement (what we call Global High Performing companies or GHPs), as well as strong financial performance (reflected through the S&P and Dow Jones indices). We went on to analyse which dimensions differentiated them from the average and found that the top differentiating factors were (unsurprisingly) around inspiration, drive, trust, growth and market focus.

We translated these drivers into four pillars that form the foundational model for employee experience (EX): **purpose, work, total rewards** and **people** (*Figure 1*). Based on this model, we developed an index to predict financial performance – and we spent nine months tracking 120 companies on this index (*Figure 2*).

The results were startling and stark: Not only could we predict the organisation's financial performance based

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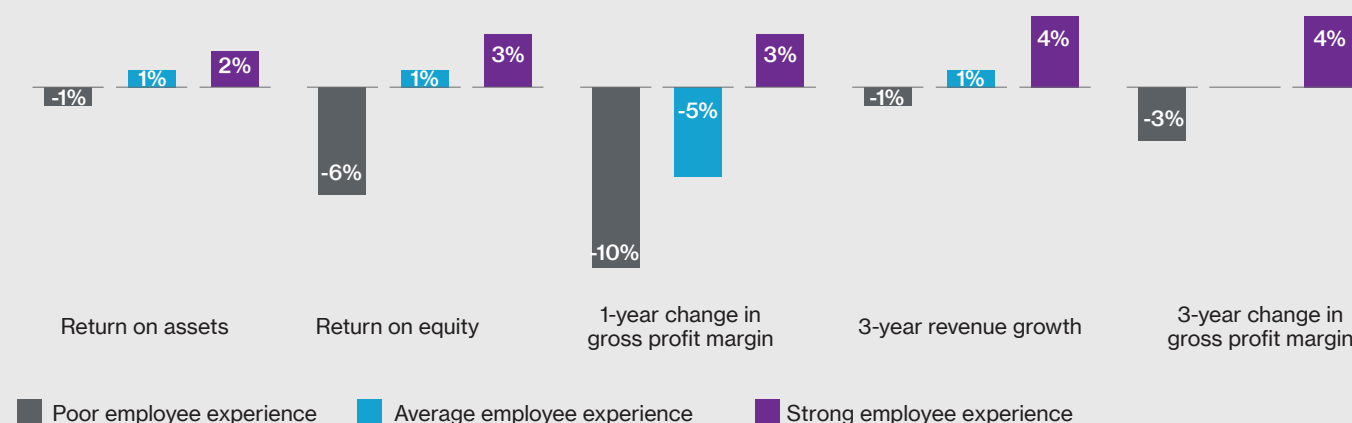**Vidisha Mehta**
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on their EX index scores, we could predict whether they outperform, or underperform, their sector. That's quite powerful, as it goes beyond an intuitive or anecdotal perspective of how the employee experience drives organisation performance. Indeed, these pillars are fundamental to get right to drive a high-performance employee experience (and financial performance)!

Figure 1: Dimensions of EX: Fundamentals that employees are looking for at work

Purpose — A strong sense of purpose

Work — Doing great work in a thriving organisation

Connection

Contribution

People — Connection with great people and leaders

Reward — Growth and reward opportunities in return

EX

Willis Towers Watson

Figure 2: Analysis of EX index vs. financial performance in 120 global organisations

	Return on assets	Return on equity	1-year change in gross profit margin	3-year revenue growth	3-year change in gross profit margin
Poor employee experience	-1%	-6%	-10%	-1%	-3%
Average employee experience	1%	1%	-5%	1%	
Strong employee experience	2%	3%	3%	4%	4%

Source: Willis Towers Watson Normative Database.

Purpose-driven work

Primary among these pillars is the increased sense of **purpose** that talent is now looking for. Indeed, it is a sign of the evolution of work (and we daresay humankind), that more and more routine work is getting automated. This trend is not new – the invention of the assembly line and mechanised farming are but a few examples of how early automation shaped civilisation. The explosion of digitisation and machine learning are a continuation of this trend, albeit to an order of magnitude several times higher.

This is increasingly leading to work being deconstructed into constituent tasks, routine tasks being automated, and higher value tasks being reconfigured into new jobs. From the perspective of talent, this is great news – as we are seeing an increasing need to find meaning in the work we do. Organisations need to tap into this sense of purpose to contribute to a higher ideal; and structure work to be more meaningful for talent. Also, organisations need to attract and retain talent that is aligned with the organisation's purpose.

Finding value in work

A related second foundational pillar is the **work** itself. With the increase in technology usage and task automation, we run the risk of de-humanising talent by seeing them as a means to an end (i.e., getting a task completed). Also, deconstruction and disaggregating of jobs may be accompanied by use of a broader talent ecosystem to deliver the work. We currently see this in the form of

freelancers and contingent workers engaged for project-based work. The risk of this often remotely connected talent pool feeling disconnected and disengaged from the organisation's larger purpose is high. There is a need to be deliberate in designing these assignments so that people feel they are doing great work for a thriving organisation, even if it is for a short stint.

Specialisation and total rewards

It's only fair to talk about **total rewards** when we talk about work. The discussion about greater transparency and equity in pay is one of most positive shifts in the total rewards landscape.

Disclosure norms are enabling these practices to evolve and become the standard rather than the exception. The need for fairness is interestingly balanced by the need for differentiated policies and individualised pay structures. We are seeing an increasing number of organisations use segmentation and 'personas' (borrowed and adapted from marketing) to develop differentiated benefit offerings. Another area that is fast evolving is the willingness to pay for specialised skills (*see Spotlight*).

Spotlight: Taking a skills view to reward talent

As specific skills take on a premium in the new world of work, it becomes critical for employers to be able to understand how to compensate them, particularly in real-time as they are liable to be quite fluid.

To help employers make these decisions, Willis Towers Watson has launched SkillsVue, which matches job postings and compensation data to determine premiums that our clients can expect to pay for specific skills. This reflection of value and the real movement of skills in the marketplace enhances the employee experience of skilled workers.

Built on a foundation using compensation data from Willis Towers Watson's Artificial Intelligence and Digital Talent Survey, SkillsVue uses proprietary machine learning algorithms to analyse real-time skills data and calculate the granular valuations of skills and their impact on pay.

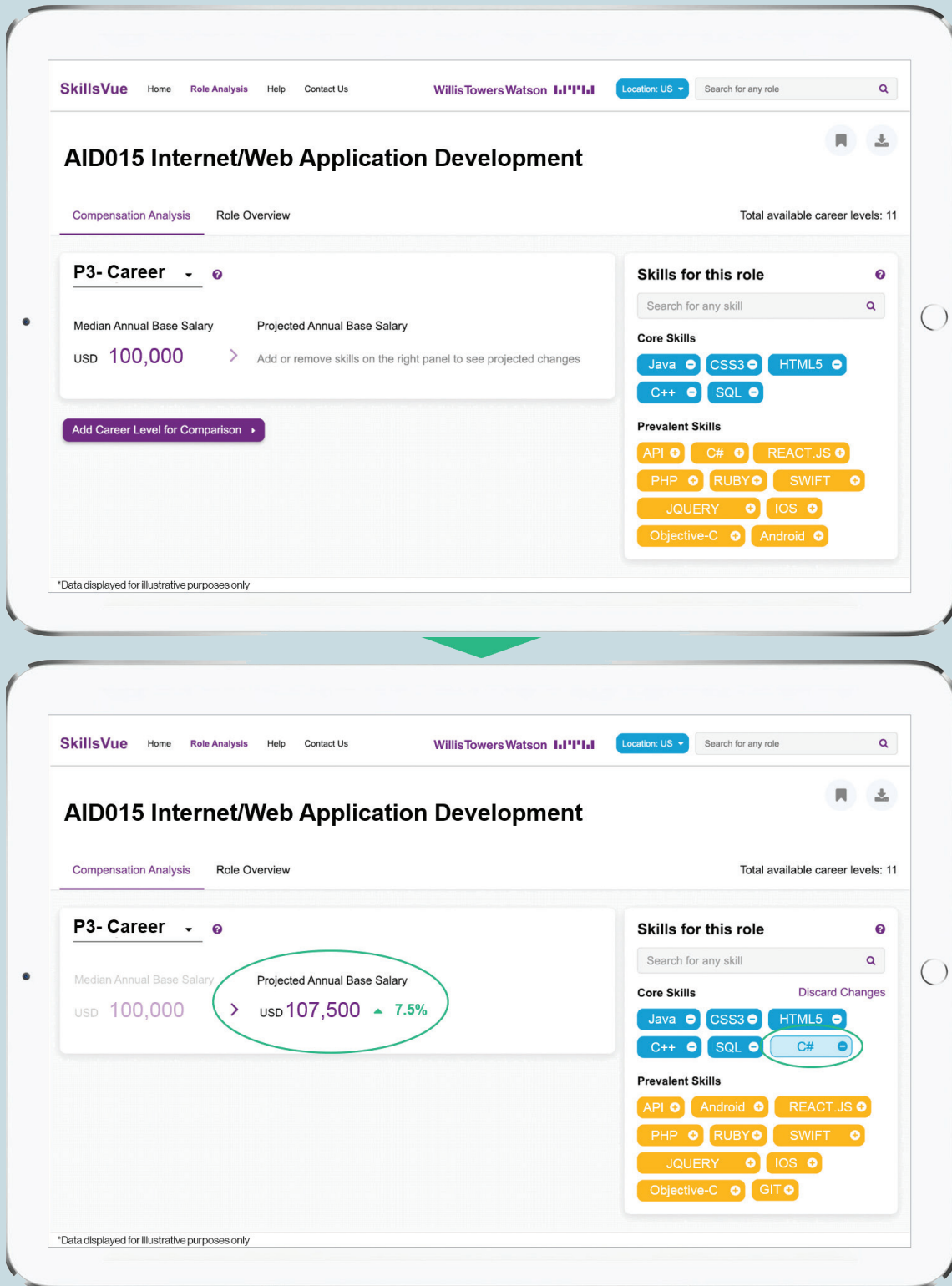**Figure 3**: Skill-based pay modelling at your fingertips – SkillsVue output example*

Figure 4: Turning data into insights: The SkillsVue process

Skill-based pay modelling at a glance

Our exclusive technology addresses all aspects of collecting, extracting, classifying, mapping and analysing skill data in relationship with our existing compensation data and represents the most complete vision to date for skill-based compensation.

1	Participant job descriptions are collected for each job submitted to the Artificial Intelligence and Digital Talent Survey.
2	Skills are extracted from job descriptions via a Natural Language Processing algorithm and added to Willis Towers Watson survey data for the relevant jobs.
3	Skill-augmented survey data are analysed across companies to predict pay for individual skill permutations.
4	Skill interface allows users to select a job and customise skill selection.
5	Predicted pay is displayed on the stored data model.

The human element

Finally, despite so much technology, data and analytics capability being available (or maybe because of it), the people element of human resources has probably never been as essential as it is today. Increasing disruptions across almost all industries are driving sometimes harsh resizing decisions. This, coupled with ageing populations, means that organisations need to be deliberate about making their talent feel valued and cared for. In addition, with increasing proportions of contingent workers, integrating and engaging this broader talent pool is critical to ensure that they contribute their best to the organisation.

With the employee experience becoming central to people processes of organisations, it's not surprising to see specialised roles in HR focusing on designing and delivering the talent journey. It is in fact heartening to see that HR is progressing at a heightened pace to ensure that talent thrives and organisations evolve into socially responsible enterprises.

Harnessing the potential of these pillars – by being purpose-driven, redefining the nature of work, focusing on skills and rewards, and creating strong connection among employees – will allow organisations to truly create a winning employee experience.

About Willis Towers Watson

Willis Towers Watson (NASDAQ: WLTW) is a leading global advisory, broking and solutions company that helps clients around the world turn risk into a path for growth. With roots dating to 1828, Willis Towers Watson has 45,000 employees serving more than 140 countries and markets. We design and deliver solutions that manage risk, optimise benefits, cultivate talent, and expand the power of capital to protect and strengthen institutions and individuals. Our unique perspective allows us to see the critical intersections between talent, assets and ideas – the dynamic formula that drives business performance. Together, we unlock potential. Learn more at willistowerswatson.com.

For more information

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