

The Definitive Guide

Employee Experience

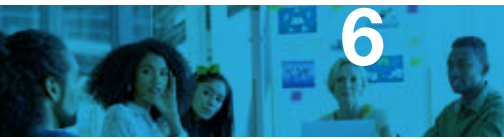
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Introduction

Can you win the new war for talent? You won't if you think it's about money, titles, or job security. The postpandemic era is quickly becoming defined by employee experience: how your organization shapes the way people work and live, from productivity to flexibility, wellbeing, health, and everything in between.

The past year saw work reinvented at light speed. Employees were tethered by digital technologies. Mental health became a priority as working from home became living at the office. Managers learned how to hire, onboard, and support people remotely, under high stress. And HR found itself working with facilities, safety, security, and legal to make sense of it all.

Now that we're emerging from the pandemic—albeit unevenly, within the United States and around the world—we've entered a period of growth and transformation that's creating even more disruption. As many as 30% of U.S. workers have taken new jobs, hybrid work models are becoming the norm, and contingent and gig work is common in every business function.

Industries such as healthcare, pharmaceuticals, and technology that were operating at capacity during the pandemic are now struggling to grow. Others, including hospitality, retail, and transportation, are reopening at an accelerating rate, relocating workers all over the world. Demand is there, but supply is reduced: only 61% of eligible U.S. workers have decided to work, baby boomers are retiring at twice the rate of two years ago, and the fertility rate has dropped in all major countries. With fewer and fewer skilled workers to choose from, internal mobility, retention, and productivity have become critical business strategies.

No wonder it's been a wake-up call for CEOs. In his April 2021 letter to shareholders, Amazon's Jeff Bezos declared he wanted the company to become "Earth's Best Employer"—a big change for an organization known for reported workplace injuries and "time off task" tracking of fulfillment center workers. But Amazon needs to hire people, unions are threatening management, and customers are starting to look elsewhere based on brand. That's because, for the first time in decades, an organization's reputation is a significant driver of consumer behavior: almost 70% of younger consumers simply won't do business with a company that's not seen as inclusive, fair, and equitable to its employees.¹

The bottom line is clear: no matter how many wellbeing tools and perks you add, they won't make up for work that's burning employees out and leaders who aren't trustworthy. To help you navigate this emerging and volatile environment, we've undertaken a major study on employee experience (EX), identifying six distinct elements discussed in-depth in this report:

- **Why Employee Experience Matters Now**, and why it's a business priority
- **Where You Stand**, both within our EX Maturity Model and the broader market
- **Working Solutions**, which provide the findings of our research and frameworks for action
- **Examples of Excellence**, in which we showcase how EX leaders got there
- **Getting Started**, with actionable advice for how to advance through the levels of our EX Maturity Model and make real progress
- **Special Section: The Role of Technology**, which underpins all EX efforts

One critical overarching point: while there's no shortage of technologies that address EX (every vendor is now in this market), our research shows EX is not a technology problem: it's all about design. Vendors want to sell companies platforms, but companies and HR teams must realize they need solutions that "redesign" the way people work.

Artificial intelligence can help, but we're not sure how much. We have smart systems telling us where to go and what to do in the office, software to help focus our time, and tools to remind us whom we have (and haven't) talked with. There are an exhausting number of options for wellbeing, from subscriptions to content to apps for exercise, mental health, diet, stress, and even personal finances. Does all this tech help? To a degree, but perhaps not as much as you think. And you need the right tech—it's all about quality, not quantity (that's also why we have a special section on it).

And, finally, there's the issue of listening. As we discuss in our Voice of the Employee program, companies are surveying and gathering feedback like never before. The employee survey industry is now worth billions of dollars, with companies using pulse surveys and free text surveys and undertaking lots of town halls and listening posts. CEOs appear on video and take open questions every week.

Does all of this make a difference? It's certainly better than simply assuming you know what's best. Yet, as our report shows, winning the war for talent requires not just taking actions to optimize the employee experience but also placing people at the center of all decision-making. That's what makes this post-pandemic period both challenging and exciting: employee experience isn't something you merely do—it needs to reflect the culture of your company. ■



Why Employee Experience Matters Now

Work isn't just work anymore. Winning the war for talent requires becoming an irresistible organization.

The past 15 months were largely about survival. Leaders focused on keeping companies afloat while dealing with a range of pandemic issues from the sudden transition to a work-from-home world to hygiene, safety protocols, social distancing, and touchless business models. Today, it's much bigger than that. The latest disruption is a massive transformation of the global economy, businesses, and people practices. The biggest economic crash in a century is rapidly becoming a huge upswing.

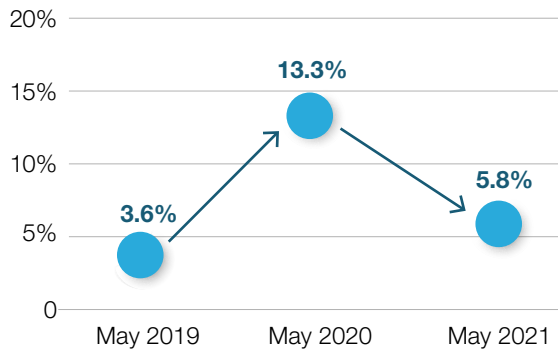
The job market is on fire. In the United States, there were 13% more job openings in March compared with the same time last year—and fewer people to fill them.² The low labor force participation rate—just 60%, exacerbated by the retirement of baby boomers and a declining birth rate—has created a perfect storm in the war for talent. And while unemployment heads toward prepandemic rates in the United States (Figure 1), the situation is not that different in other geographies.

Key Insights

- As the world begins to unevenly emerge from the COVID-19 pandemic, the biggest economic downturn in a century is rapidly becoming a massive upswing.
- People's reevaluation of their lives means employee engagement has been replaced as a company imperative by employee experience: the need to help people do and be their best, spanning engagement, retention, health, productivity, leadership, and trust.
- Competing—and winning—requires becoming an “irresistible organization”: a place employees clamor to join and that rivals want to become.

FIGURE 1

Change in U.S. Unemployment Rate from May 2019 to May 2021



Source: Bureau of Labor Statistics

At the same time, companies are transforming themselves. Our pandemic response study of more than 1,400 companies in September 2020 showed while prioritizing health and wellbeing was the core response to the pandemic, the most successful companies also rapidly transformed their businesses around a unifying purpose and reinvented their people practices (Figure 2). Southwest Airlines, for example, quickly redeployed grounded flight attendants to airports with resurging demand. Reliance Industries

pivoted to its most needed telecommunication businesses. Sutter Health trained its HR people to staff hospital receptions, all of them in service to a unifying and inspiring business purpose.³

So leaders need to keep themselves and their employees safe, worry about wellbeing and health, and adapt to remote work and collaboration tools. But they also need to help people adapt to change, enable them deal with ambiguity, and support them to experiment and learn quickly. Is it any wonder employee experience has shot to the top of management agendas?

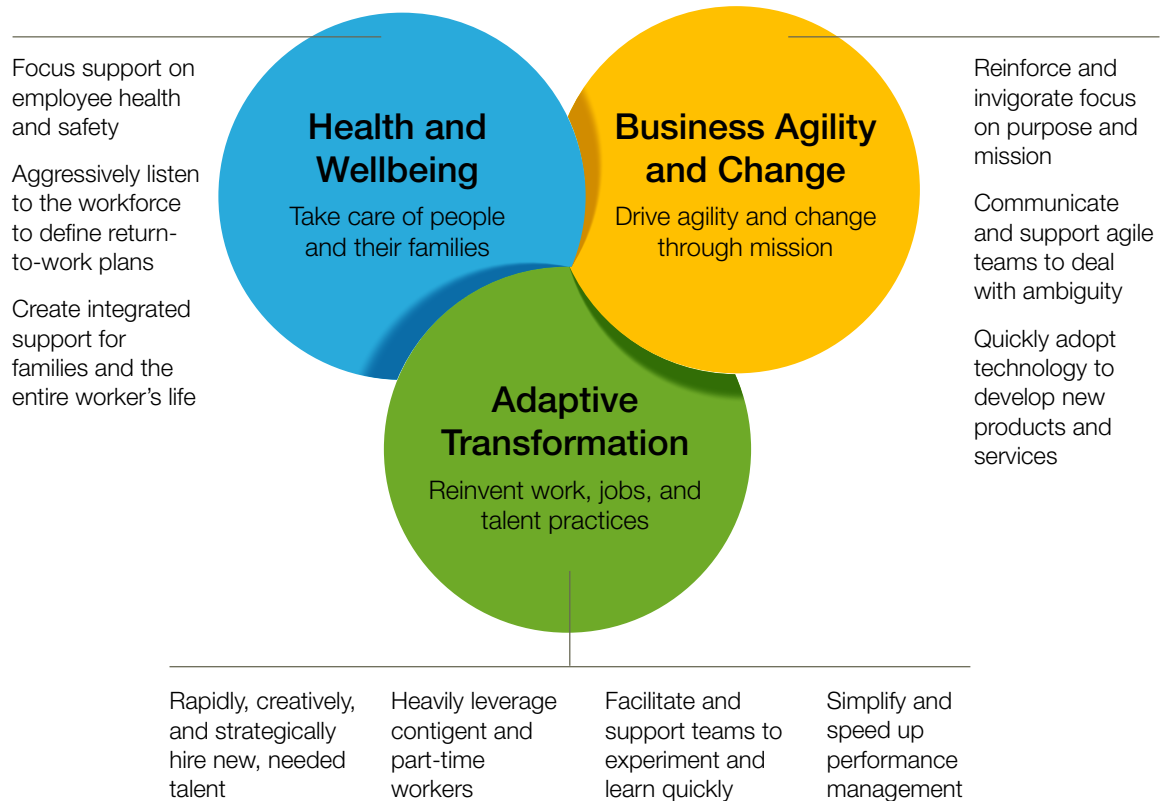
Employee Experience: Complex and Multilayered

Even before the pandemic, the work environment was challenging. Many studies showed people felt overwhelmed; they had little time to concentrate and no time to learn something new. That means when COVID-19 struck and brought with it additional issues—transitioning to working from home, taking care of children and/or parents, and juggling personal and professional responsibilities, all while worrying about the danger of illness—it simply added to an already complex situation.

We meet too much, email too frequently, and never get a break. We're not working from home but living at work.

FIGURE 2

The Pandemic Response Practices That Mattered



Source: The Josh Bersin Company, 2020

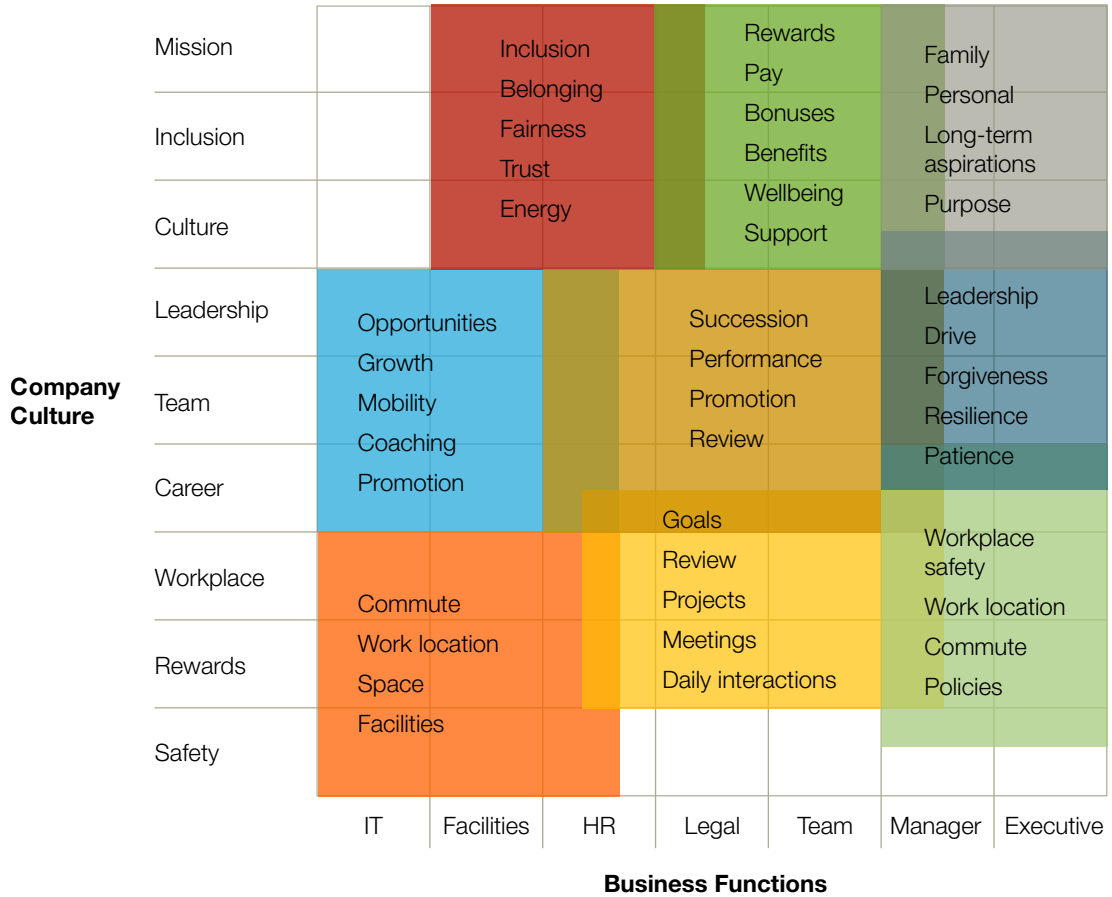
When it comes to EX, we expect a consumer-grade experience in which everything is seamless and easy. Was there ever a time when it was acceptable to require employees to use different systems to manage time cards, submit expenses, and resolve technical issues? If there was, those days are over. The topics that collectively add up to EX span all business functions and touch all issues of corporate culture (Figure 3). No one group or team can handle these alone.

If you don't cater to the needs of employees, they may just leave. A study by the IBM Institute

of Business Value shows 1 in 4 employees are planning to switch employers in 2021, and as many intend to switch occupations. At the same time, 2.3 million women were pushed out of jobs in 2020, putting female participation in the workforce at its lowest rate since 1988. When the workforce is changing so rapidly—and with it the need to design work, jobs, teams, and leadership in new ways⁴—how do you create a place where people can grow their career, skills, and network? Workers are empowered, and that only increases the pressure on companies to deliver on EX.

FIGURE 3

EX Spans All Business Functions and Touches All Issues



Source: The Josh Bersin Company, 2021

Another topic is health and wellbeing. While Microsoft’s Worklab study found 3 out of 5 leaders are thriving, the situation is reversed for frontline workers—barely 3 out of 5 are hanging in there, with the situation even worse for younger or newer employees (Figure 4). And a study from Glint looked at 7 million data points from employees around the world and found many are feeling burned out (Figure 4).

What’s the problem? We meet too much, email too frequently, and never get a break. We’re not

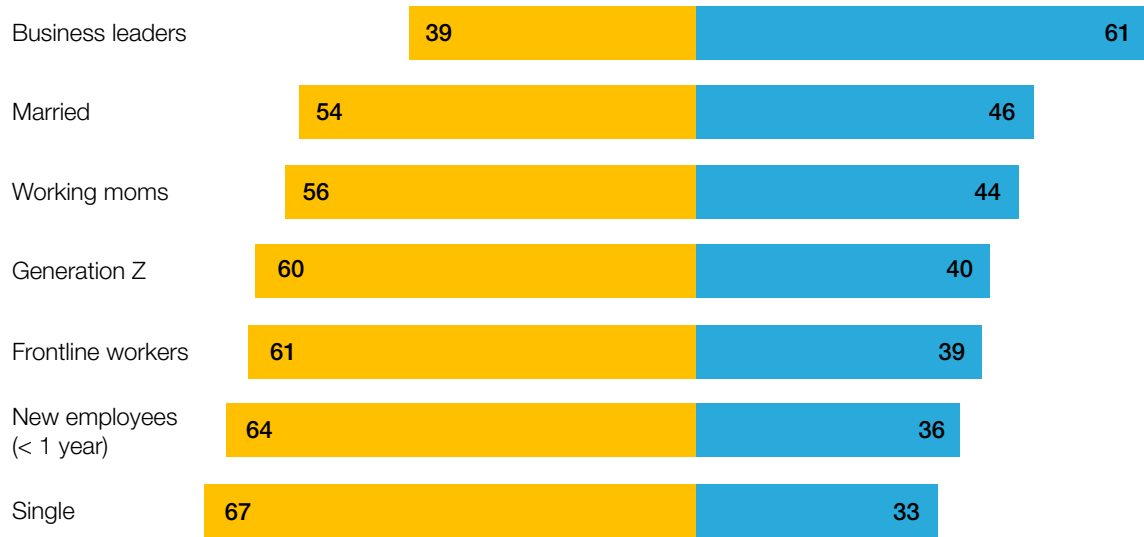
working from home but living at work: terms such as “Zoom fatigue” and “digital overload” have become part of our vocabulary, while companies try to cope by instituting “off-camera” days or no-meeting Fridays. (Microsoft even launched new tech solutions to help end meetings five minutes earlier so people get a little break between meetings.) Corporate spending on health and wellbeing tools is mounting, yet providing yoga classes and access to mindfulness apps or cooking classes doesn’t seem to be making much of a dent in a growing problem (Figure 5).

FIGURE 4

Business Leaders Say They Are Thriving. No One Else Is.

% of study respondents

Surviving or struggling Thriving



Source: Microsoft Work Trend Index study, 2021

FIGURE 5

Communication Overload



148%

Weekly **meeting** time has more than doubled for Teams users and is still rising



40.6 billion

Increase in number of **emails** delivered in February 2021 vs. February 2020



45%

Weekly Teams **chats** per person are up 45% and still rising



66%

Number of people working on Office **documents** is up 66% year over year

Source: Microsoft Worklab Trends study, 2021

From Industrial Engineering to Corporate Strategy

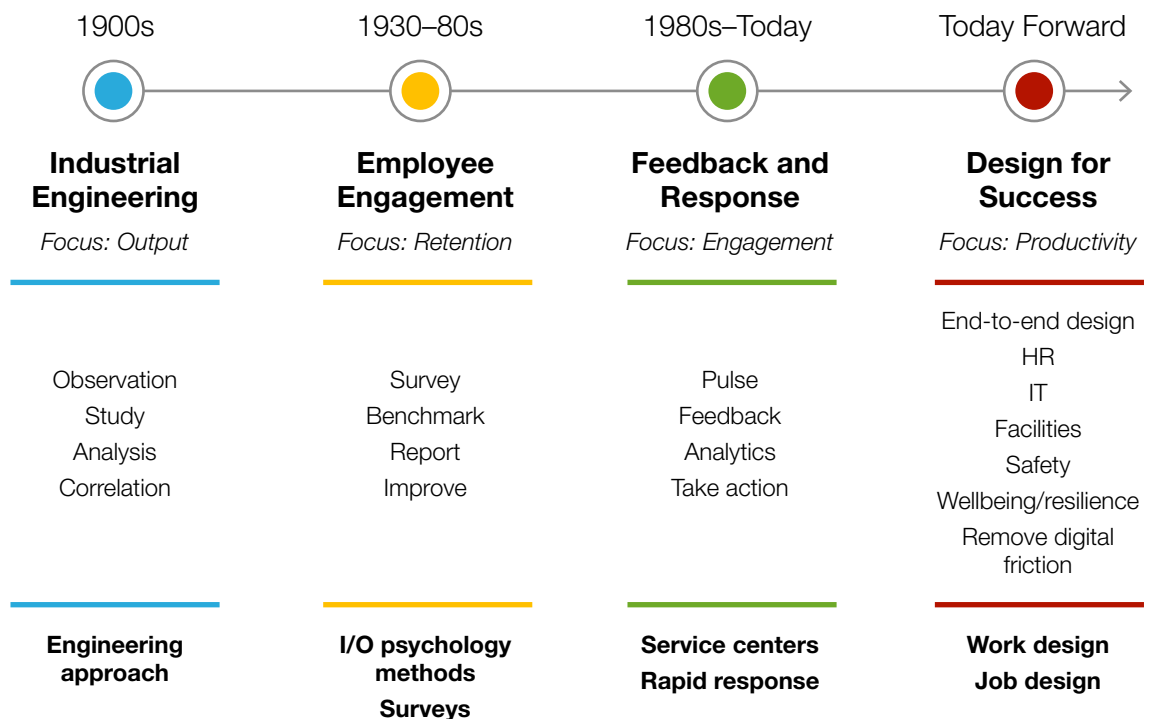
You may ask: how is all of this connected to EX? Because it's much broader than just "engagement." EX now also includes retention, health, productivity, leadership, and trust. Yet as we discussed the issue with dozens of HR leaders, we realized there's no clear definition of "employee experience." One executive said it was "all the touchpoints an employee has with the company, beyond HR to also include IT, facilities, legal, procurement, finance, and others." IBM describes the objective of employee experience as: "To help people DO their best and BE their best."

One thing's certain: designing employee experience is not a process but a corporate strategy. It has evolved over time (Figure 6), and we've realized things such as journey maps, technology, and analytics are tools in the designer's toolbox, not the end-all be-all. Technology plays an important role—we dive more deeply into that in our special section—but it's not a magic bullet.

Today, EX is at the center of the HR profession. Indeed, HR departments at Adobe and Airbnb have even renamed themselves "Employee Experience" departments. Organizationally, forward-thinking companies such as Unilever create EX departments with a senior leader who plays the role of "ombudsman" for the employee, sitting on the HR and IT leadership team as the "voice of the employee," and even integrating groups such as

FIGURE 6

The Evolution of EX Design



Source: The Josh Bersin Company, 2021

facilities, legal, and safety. At Adobe, facilities have been under the EX umbrella for years, helping with that integration. During the pandemic, companies established the role of “chief health officer” as a way to manage all health and safety concerns, and some even included diversity, equity, and inclusion (DEI) in this group.⁵ Taking these ongoing actions isn't easy, but it's an important step toward a great employee experience.

Lists Don't Help Define Good EX

When we studied DEI, we were curious to see how much overlap (or lack thereof) there was between different “best of DEI” lists. If you guessed hardly any, you'd be right. Out of more than 200 companies on five lists, just a single company (Accenture) made all of them.⁶ We concluded these lists don't help DEI, they hinder it—because they confuse people and muddy the goalpost leaders should shoot for.

In the quest to be perceived as a “Best Place to Work,” we see the same situation. In this case, we studied four different “best place to work” lists to see how much they agreed on criteria for success in EX among top brands in the market: Great Place to Work: World's Best Workplaces; *Forbes'* The World's Best Employers; *Fortune* 100 Best Companies to Work For; and Glassdoor Best Places to Work.

With the exception of Glassdoor, where ratings are based on what current or former employees submit, all other lists are derived from elaborate criteria on what constitutes “best.” So how much agreement would you expect among the 1,020 companies listed on the four others? Just six companies were on all four—or 0.5%—and all were

in the technology sector: Adobe, Cisco, NVIDIA, Salesforce, SAP, and Stryker.

A mere 11 companies (about 1%) landed on three of the lists, and 63 companies (or around 6%) were on two lists—meaning 940 companies (92%) were on only one list. As we saw in the case of DEI, criteria for best place to work are also subjective at best, or perhaps “for sale” (in a pay-to-play model). HR and people practices are consistently muddled with inconsistency and complicated with subjectivity and moving targets.

That's what this report seeks to redress. We want to define what “Excellence in EX” really means, how to accomplish it, and why it matters. “You can't be good at business and bad at DEI,” said Ray Narine, DEI and EX leader at Consumer Reports. We believe the same holds true for EX. It can't be self-serving or merely aim at “engaging” people. It has to result in better business performance, happier customers, and healthier employees.

The Irresistible Organization: A Framework for EX

What shapes our experience of a company? The work we do, for sure. But it's also about the teams we work on; our direct managers and how they coach and support us; our health and wellbeing; the digital, physical, and cultural workplace; how we grow and develop; and how much we trust the organization.

These elements collectively form our framework for EX, which we call “the irresistible organization”—because it helps your company become irresistible to the workforce. It's based on a model we first

developed in 2015 to drive employee engagement, based on research we did ourselves, what we learned from companies around the world, and academic and practical research.⁷







Because the demands and desires of employees has changed since then, we reviewed every part of our model and adjusted it for today’s reality. (While we found many elements and dimensions still held true, we added “health and wellbeing,” for example, and reframed “trust in leadership” to more broadly talk about “trust in the organization.”) Just examining this model will be the subject of another

report, but here’s what we look at: six elements each comprising four dimensions (Figure 7), with a total of 83 practices organizations need to do to enable the dimensions and elements.

Finally, don’t forget about technology and services. While employee experience is not a technology problem, the right tools and support are vital to making your organization irresistible and making a great EX sustainable and scalable. Technology underpins all six pillars of the irresistible organization, and we explore its importance in our special section.

FIGURE 7

The Irresistible Organization

Meaningful Work	Strong Management	Positive Workplace	Health and Wellbeing	Growth Opportunity	Trust in the Organization
					
Job and values fit	Clear goals with stretch opportunities	Tools, processes, and systems to get work done productively	Safety and security in all aspects of work	Open, facilitated job and role mobility	Mission and purpose beyond financial goals
Autonomy and agency	Regular coaching and feedback	Appreciation, recognition, and rewards	Personal fitness, health, and physical-wellbeing support	Career growth in multiple paths	Transparency, empathy, and integrity of leadership
Agile teams and supportive coworkers	A focus on management development	Flexible hours and workspace	Psychological and emotional wellbeing and support	Many forms of learning as needed	Continuous investment in people
Time to focus, innovate, and recover	Transparent, simple performance management	Inclusive, diverse, and a sense of belonging and community	Family and financial support	A culture that supports learning	Focus on society, environment, and community

Technology and Services

Foundation (security and access); support systems; insights apps; talent apps; communication apps; work technology



Source: The Josh Bersin Company, 2021



Meaningful Work

The first element of employee experience is the work itself. We need to ensure jobs are meaningful, people have the tools and autonomy to succeed, they work well in teams, and they have the time needed to create additional value for customers:

Job and Values Fit

Jobs are changing rapidly, and while more and more technology is available to automate activities, the most successful companies use technology to make work more human. When people feel work fits with their purpose and values, they naturally perform better, are more engaged and, in turn, create more value for customers.

Autonomy and Agency

Daniel Pink's research on human motivation identifies "autonomy, agency and mastery." Can I make decisions about my work? Do I feel true ownership? Can I excel in this work?⁸ When people have a say in how they do their jobs, set goals and objectives with autonomy, and are empowered to do "right" for the customer, work just "works."

Agile Teams, Supportive Coworkers

Who we work with has a big impact. The pandemic made all of us work in agile, cross-functional teams like never before—and engagement and productivity jumped in the first months after it began. At Schneider Electric, facilities, HR, and IT quickly came together to repurpose workflow management systems to track COVID-19 infections and help people stay safe. PepsiCo redesigned its

onboarding program in a matter of weeks. A high-end hamburger chain in the United Kingdom used Google Maps and its scheduling and skills tracking systems to quickly redeploy people to stores where they didn't need to take public transport. We know you can think of your own examples of agile teams and supportive coworkers in the face of the pandemic.

Time to Focus, Innovate, and Recover

We need rest and recovery. Retailers such as Whole Foods, Costco, UPS, and Mercadona deliver higher profitability per employee by giving their employees above-average wages and greater control over their jobs. Cross-trained people who can do more than a narrow activity feel more empowered and engaged and deliver better outcomes. With burnout and stress at all-time highs, allowing people to take time away helps them work better because they don't have to worry about all the things they don't have time to do.



Strong Management

Direct, day-to-day management is the element HR has been paying most attention to. While the notion “people join for the work and leave managers” is a bit of a misconception, managers are critical to EX:

Clear Goals With Stretch Opportunity

When people can see how their work contributes to the broader purpose of the company, they are more engaged, perform better, and help others complete their work too. Everybody wins. For example, the Indian Hotels Company turned its business around when it switched its individualistic performance-management model to a collaborative approach in which everybody was laser-focused on creating a great guest experience. Our research on objectives and key results shows this approach to goal-setting—initially used by Google and then spread to many other companies—can help with alignment and collaboration, and it results in better outcomes.⁹

Regular Coaching and Feedback

Coaching is a massive industry. Online coaching platform BetterUp, for example, raised \$125 million in funding in March 2021 and is now valued at a staggering \$1.73 billion.¹⁰ In HR, we’ve been talking about “the manager as a coach” for years, if not decades, and we’ve redesigned management models and approaches to foster this change. It’s critical to help managers develop a coaching habit and see this as a key component of their role. Performance also drives engagement: if managers foster high performance on their teams, they will naturally be more engaged.

A Focus on Management Development

Defining the management model in your company and developing managers on it is important—in big companies, there are often many different legacy models, and people will be confused without clear direction about what it means to be a manager in the company. Microsoft gained traction for its new management and leadership model by aligning it with its culture transformation. “Managers create the conditions and experiences that bring out the best in employees, and they’re the key to achieving our mission. At Microsoft, we expect managers to live our culture, embody our values, and practice our leadership principles daily so that we can better meet the needs of our customers. Satya [Nadella, Microsoft’s CEO] reinforces these principles frequently and their importance to our success,” said Joe Whittinghill, Microsoft’s corporate vice president, talent, learning, and insights.

Transparent, Simple Performance Management

A 2018 research study¹¹ showed performance management is associated with a Net Promoter Score of an abysmal –60. It’s by far the most despised people process. In our pandemic response study, we identified transforming and reinventing performance management as one of the 10 most impactful practices. AB InBev redesigned and radically simplified its performance-management process, reducing the number of steps and administrative burden. Every company we talk with seems to be rethinking it, not just to account for remote work but also to help make it more useful, transparent, and simple.



Positive Workplace

Work is much more than a place we go—our experience is a direct function of our digital workplace (tools and processes to help us do good work and connect), the flexibility of hours and place (being able to choose when and where we work), and our cultural work environment (a place where people feel included and belonging):

Tools, Processes, and Systems to Get Work Done Productively

During the pandemic, we've all tested tools and processes to enable remote and flexible work, and our response study shows it's been very successful. Collaboration platforms, knowledge-management systems, chat, video, in-the-flow learning apps, and more have accelerated, and it's no surprise the market for all of them is red-hot. The problem today isn't finding a tool that does what you want it to do, but that there are too many of them. A study by Okta showed the average large company now has 120 technologies—so how do you help people make sense of all of them?

Appreciation, Recognition, and Rewards

The benefits of recognition and gratitude are well-established, and not only for the receiver of recognition. When we thank somebody and recognize them, we also feel better about our workplace. Peer-recognition platforms are now an important component of most companies' infrastructure, and when people see leaders thanking others, they follow suit. Fair and equitable rewards and benefits are critical, too. Beyond the compliance need of companies to show they are not discriminating with pay practices, people need to see these practices are based on accomplishments, capabilities, and results—not favoritism or politics.

Flexible Hours and Workspace

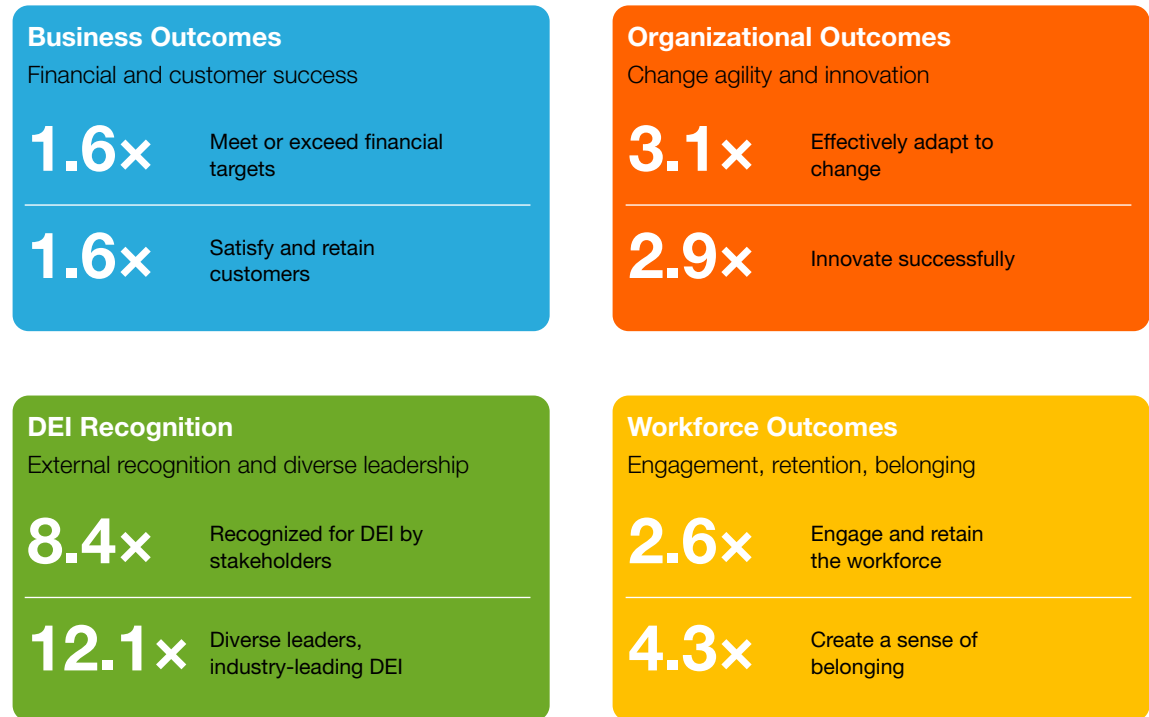
We've been pushed into an entirely new era of workplace design. "Remote" is now the second-most desired work location, according to a study from LinkedIn (behind only San Francisco). Many CHROs tell us they can't find talent unless they offer positions as remote eligible. No wonder companies are reimagining their workplaces for a hybrid world. GM CEO Mary Barra made it simple: she empowered employees and managers to define the right workplace with the approach "work appropriately." Flexibility is key. Instead of rigid policies dictating when to come to the office and when to work from home, give people choices that fit their work and personal needs.

Inclusivity, Diversity, and a Sense of Belonging and Community

Our DEI Excellence study showed companies that are excellent in DEI are those that make it a business strategy, not an HR program. They are not just better at diversity outcomes but are also more profitable, customers love them, and they are more innovative (Figure 8). For much more, see *Elevating Equity: The Real Story of Diversity and Inclusion*.¹²

FIGURE 8

The Impact of DEI Practices on Outcomes



Source: The Josh Bersin Company, 2021



Health and Wellbeing

In 2015, we regarded health and wellbeing as embedded in many different areas of employee engagement. As the pandemic raged in 2020, that changed. All companies prioritized keeping employees, customers, and partners safe and well—not only through preventing infections but also in relation to physical, digital, emotional, and team wellbeing. A comprehensive focus on health and wellbeing is critical to creating an irresistible organization.

In fact, wellbeing has moved from the benefits department to the boardroom. Without healthy, productive employees, companies cannot thrive. Even before the pandemic, wellbeing was identified as the number one executive priority of 10,000 leaders across the globe.¹³ Our Pandemic Response study showed the most profitable companies with the most satisfied customers focused on the holistic wellbeing of their employees and their families; they see wellbeing as a point of competitive differentiation. Companies that help employees take care of families and expand wellbeing programs to help employees deal with ambiguity and uncertainty are more than five times more likely to have outstanding business, people, and innovation outcomes.¹⁴

Safety and Security in All Aspects of Work

Healthcare, manufacturing, and energy companies have always focused on this dimension, and they have entire departments dedicated to keeping people safe. That's for good reason: it's literally a matter of life and death. The pandemic has now catapulted safety for knowledge workers from trivial to business critical. Google hired Obama administration health official Karen DeSalvo as its chief health officer in 2019, sending a strong message on the importance of health for employees, customers, and the entire supply chain.¹⁵ Other companies followed, with some even putting the chief health officer or chief medical officer in charge of diversity and inclusion because of the connection between health and wellbeing and engagement, a sense of belonging, and diversity.

Personal Fitness, Health, and Physical Wellbeing and Support

Personal fitness, physical health, and wellbeing are foundational to your employee experience—and the market of wellbeing tools and technologies is exploding (read more in our Wellbeing Market study). Kaiser Permanente wants its employees to thrive at work, so it put an entire Healthy Workforce program around it: helping its 220,000 employees quit smoking, manage diabetes, lose weight, and reduce blood pressure.¹⁶

Psychological and Emotional Wellbeing and Support

The pandemic has brought issues of mental wellbeing—such as stress, burnout, and mental and emotional health—to the forefront for many executives. Concepts including Zoom fatigue, the

added hour we work because we don't commute anymore, and the feeling of “languishing” have all become everyday words. Beyond tactical support systems such as subscriptions to Headspace or yoga classes, forward-thinking companies also look at the level of stress inherent in their work practices. Banco Santander canceled all emails or meetings during lunch hour to enforce a much-needed break. One consumer company shortened all meetings by five minutes to build in space between back-to-back commitments, and Microsoft has added that capability to Outlook calendars. Walmart uses the phrase “It's OK to not be OK” to teach managers to both understand mental wellbeing and take care of themselves.

Family and Financial Support

Before the pandemic, wellbeing offerings were often a nice-to-have employee benefit. Today, they're a strategic differentiator. Autodesk sees big advantages when managers counseling on career planning take into account an employee's family life. According to a study by PwC, 63% of workers say their financial stress has increased since the start of the pandemic, with younger workers most affected (72% of millennials state increased financial pressure).¹⁷ New approaches to pay people—such as on-demand pay provided by companies such as DailyPay—provide financial flexibility and help people reduce or even avoid debt.¹⁸



Growth Opportunity

When top performers leave a company, the most popular comment they make is, “I just didn’t see the right opportunities here.” A range of studies show as employees get older, their focus on development shifts from mobility and upward progression toward aligning a job with long-term career goals. Building opportunities for growth is a complex and systemic challenge, and it is much bigger than just “training.” Many different groups play a role, from recruiting and onboarding to talent management, learning and development, and line management. Remember: an irresistible organization is one employees would never want to leave. What better way to create such a place than to give people lots of opportunities to grow and advance?

Open, Facilitated Job and Role Mobility

Big promotions are important—but they usually don’t happen very often. Beyond those big moments of upward movement, employees need ways to move to different jobs and try different roles across functional boundaries. That process needs to be facilitated by the company. Talent marketplaces let people discover opportunities for trying out assignments, projects, mentoring, and more—and even help them develop the capabilities needed to be successful in those roles. This also means designing onboarding and transition management to support these role moves.

Career Growth in Multiple Paths

The most financially and operationally successful companies are an astounding 34 times more likely to support employees in developing their career.¹⁹ That means giving people the tools, resources, and manager support to grow where they want to go. Walmart, Target, and Disney all use “career pathways” facilitated by companies such as Guild to provide education, training programs, assignments, and more to help people move from jobs that are going away (such as grocery baggers or theme park clerks) to high-demand service jobs (such as customer support).

Many Forms of Learning as Needed

Learning in many forms is needed to help people do their best work, from formal training programs and learning opportunities to capability academies (like Bank of America built for its sales and support people), mentoring, coaching with human and AI-based coaches (with tools such as Cultivate), rotational assignments, projects, expert networks, and microlearning. The average large company now has an entire infrastructure with up to 25 learning systems, curating them with a Learning Experience Platform to integrate the systems and serve up the right learning at the right time. That makes people more engaged and perform better, resulting in higher customer satisfaction, better financial performance, and more innovation.

A Culture That Supports Learning

Most leaders are rewarded for “making their numbers.” While this is certainly important, leaders must also be rewarded for developing people, moving people into the best role, keeping engagement and retention high, and serving as a “talent builder.” Our research shows a growth and development approach to managing performance is far superior to one of competition with others—and companies in all industries are rethinking their performance management approaches accordingly.²⁰ Companies with a culture that supports learning are almost twice as likely to develop innovative products and processes.²¹



Trust in the Organization

The final element in the irresistible organization is trust in the organization, and we identified four dimensions that together create an environment of trust and pride:

Mission and Purpose Beyond Financial Goals

We've known for a long time that people—not just millennials—are looking for more meaning in their work. The pandemic has heightened that need: according to our Pandemic Response study, companies that double down on an inspiring mission and purpose are 5.5 times more likely to have highly satisfied customers and three times more likely to have overall excellent financial performance, engagement and retention, and innovation practices.²² Deutsche Telekom's mission, "I will not stop until everyone is connected," gave meaning and purpose to all employees as they aligned behind connecting people technically to the outside world. Microsoft wants to "empower every person and organization to achieve more," building in a focus on inclusion and equity. When you offer people a mission and purpose greater than financial return, you attract passionate individuals who want to contribute. And that brings a level of commitment and engagement no compensation package can create.

Transparency, Empathy, and Integrity of Leadership

Social networks and the Internet have made us accustomed to rapid, open, transparent communications. If your company is having a bad quarter, has committed fraud, caused an accident, or was sued or possibly penalized for a compliance violation, tell your people as promptly as possible. Likewise, when you have a good quarter, someone achieves a particularly notable

success, or a customer tells you something wonderful, share this as well. Transparency is particularly difficult for traditional leaders, who often believe they can "manage the truth" through PR, communications specialists, or the timed release of information. Today, this typically fails and people immediately see the deception. New research shows that among millennials, transparency from leadership rates as among the most important drivers of company loyalty.

Continuous Investment in People

Executives at high-engagement companies invest in learning, regularly meet with teams and provide feedback, and genuinely care about each individual. Our research on "high-impact learning organizations," conducted in 2005, 2008, and 2011 (before, during, and after the financial crisis), showed each year companies "overinvested" in L&D (spending per employee) rated highest in employee retention, innovation, and customer service and outperformed their peers threefold in long-term profitability. Investment in people matters during good times and bad. During the pandemic, we have seen investment in people can take many forms, from technology such as computers, video cameras, and headsets for remote work to online yoga classes and family movie nights during lockdown to financial support tools.

Focus on Society, Environment, and Community

Organizations shouldn't just focus inwardly. Millennials made clear what any generation is

Employee experience is an enormous field, and almost all areas of HR are part of it. It's not a “process” but a cross-functional strategy that needs to be embraced by the C-suite.

expecting: companies need to make a positive impact on society, communities, and the environment. In our DEI research, we found a comprehensive view of DEI translates not only to more diversity but also more satisfied customers—which is why companies such as Walmart and Hilton focus on supplier diversity and overall impact on communities.²³ For example, Kaiser Permanente requires executives to undertake community service every year, and many companies now report their environmental sustainability goals. All of these are important parts of creating a culture people are proud to be associated with and happy to contribute to.

Conclusion and Next Steps

Employee experience is an enormous field, and almost all areas of HR are part of it. It's not a “process” but a cross-functional strategy that needs to be embraced by the C-suite. And it's also not a “project” that will ever be done. It's a huge area of many different strategies, practices, processes, systems, services, and technologies. With so many elements, dimensions, and practices, which ones are most important? Where should you start? What should you focus on? ■



Where You Stand

Employee experience is confusing and complex. Our Employee Experience Maturity Model can help you understand where you are today—and what needs to be done.

Every organization's journey to becoming irresistible is unique, and it can't start without knowing where you are today, what you do well, and what you don't. When we surveyed more than 950 companies about the state of employee experience, we received more than 1,200 comments that enabled us to identify common themes and map them against our Irresistible Organization outcomes and the practices that drive them.

That's important, because EX is a confusing and complex topic, with no common definitions or standards. No one single action will move you magically to a great employee experience, best practices from other companies may not work for your organization, and there are so many moving pieces you may want to give up. But you can't; the stakes are too high, and your employees trust you to make change happen.

So what's working well and what's missing?

Key Insights

- Every organization's journey to becoming irresistible is unique, and it requires a deep understanding of its current status as well as its institutional strengths and weaknesses.
- There's little agreement today about what "good" employee experience looks like—in fact, the word EX and HR leaders use most to describe it is "inconsistent."
- Our EX Maturity Model provides understanding on where your organizations stands when it comes to employee experience.

What's Working Well: The Basics

When asked what their company does better than most when it comes to EX, the impact of the pandemic was evident: benefits, perks, flexibility, and communication. Many respondents suggested their benefit packages were outstanding and based on employee needs, that flexible work was a reality, and communication kept everybody in the loop. Indeed, all of these topics were big priorities during the past 15 months.

The highest-scoring question on the survey also reflected the COVID-19 environment: 78% indicated a strong company focus on physical safety at work, which is definitely higher than it

may have been previously when physical safety was all but a fleeting thought for many companies in “safe” industries.

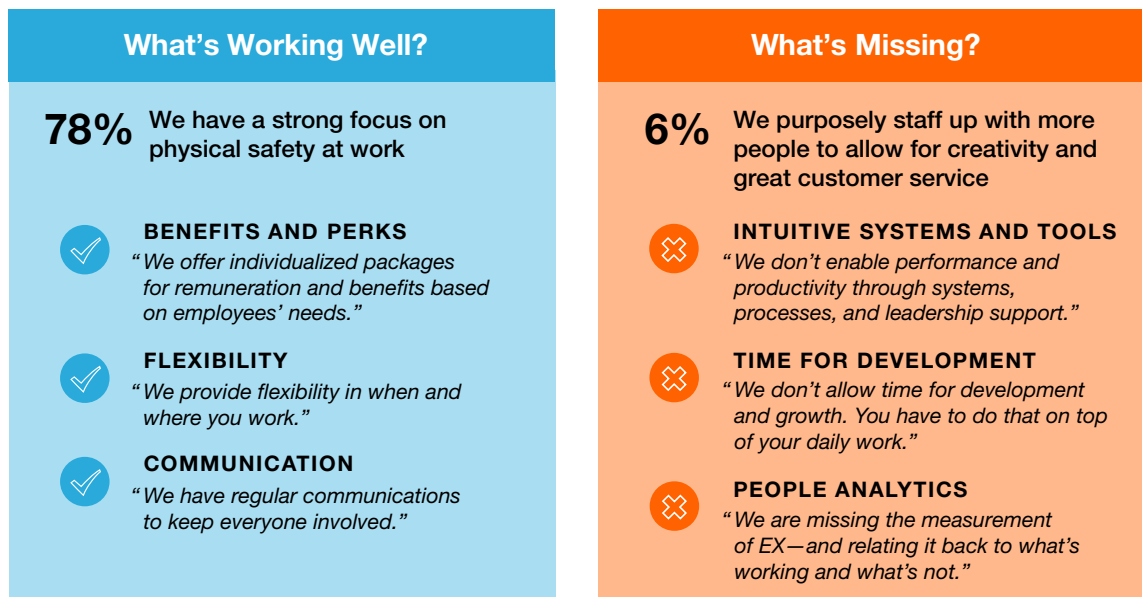
The reality is that while all of these points must be done, and done well, as standalone practices they have only a minor impact on business outcomes.

What's Missing: Advanced Support

Although many leaders communicate their support for employees and the importance of a great employee experience, the reality doesn't meet these aspirations. Many people report

FIGURE 9

Strengths and Opportunities in EX



Source: The Josh Bersin Company, 2021

there is no time for development because the “day job” is already so challenging, there’s no time for development and innovation. Only 6% of companies staff up with enough people to allow employees to focus on innovation and great customer solutions, the least adopted of all practices we studied.

Systems and tools are often burdensome and clunky, and they hinder rather than help: there’s a big opportunity for technology providers to add immediate value by streamlining processes and augmenting human work. People analytics and insights also require attention. Many participants declared a need for better analytics on their workforce—our survey found 3 in 5 companies don’t use advanced people analytics to inform business decisions. “We are missing the measurement of EX,” one respondent said, “and relating it back to what’s working and what’s not.”

EX Is Still Inconsistent

Perhaps some of the problem with identifying and driving great employee experience is definitional. EX is a massive topic with a lot of different elements, initiatives, and dimensions. Any interaction with the company shapes your experience, from working over digital technology to how you interact with your manager and team to your health and wellbeing.

There’s also no agreement about what “good” EX looks like. Leaders are confused about their role, measurements and metrics are all over the board, and the vendor landscape is full of solutions, like the proverbial hammer looking for a nail. Actually, when we asked EX and HR leaders to describe the EX in their organization with just one word, the most common response was “inconsistent” (Figure 10).

FIGURE 10

How Would You Describe Your Company’s Employee Experience?



Source: The Josh Bersin Company, 2021

Despite all the investment and leadership commitment to EX, inconsistency is a common theme across industries, geographies, and organizational sizes. And that's a problem, because our world is getting smaller and smaller. You may work in HR today but take a job in marketing tomorrow. With the advent of hybrid work models, you could move from London to Singapore without much hassle. You could get promoted to manager for the first time. If your experience with the same company is vastly different from one place to another, it's very hard to build and maintain a great culture. It's also hard to trust a company that applies different standards depending on where people live, where they work, or which position they hold.

So how do you drive consistently great experiences? By using empathy, design thinking, and data to understand people's needs, designing end-to-end experiences on a digital, "corporate service" and cultural level, and iterating and experimenting.

Despite all the investment and leadership commitment to EX, inconsistency is a common theme across industries, geographies, and organizational sizes.

The EX Maturity Model

Let's get back to where you are today. Did you recognize any of the traits above, good or bad? As we said, you can't move forward if you don't know where you currently stand: all companies are unique, as is your journey toward becoming an irresistible organization. Through our research and work with companies around the world, we've developed the EX Maturity Model to define where your organization stands when it comes to employee experience.

Organizations fall into four levels depending on the EX practices they deploy, with Level 1 the least impactful and Level 4 the most (Figure 9). These maturity levels are not a function of different industries, geographies or organizational sizes—they can be encountered in any such group. Creating a supportive environment where people help each other is the core response, but more successful companies also focus the business on the mission and empowering equitable growth.

FIGURE 11

The Employee Experience Maturity Model



Source: The Josh Bersin Company, 2021

Level 1: Transactional Efficiency (32%)

Companies at this level are focused on creating a transactional relationship with their employees—an exchange of work for money. When they see a direct cost impact, they remove barriers from the employee’s work life, but without much consideration for the individual that’s behind the job description. Employees are seen as a replaceable commodity: a cost factor.

Level 2: Supportive Environment (23%)

These organizations have made the switch to a supportive environment. People trust leaders, help each other, and communicate openly. Yet these supportive actions often ignore the broader business context and can sometimes come over as “nice” rather than impactful because they lack an overarching purpose. Employees are considered friends and family.

Level 3: Purpose-Driven Business (25%)

Organizations at this level get direction from the very top—the CEO—to align around a powerful mission and purpose that inspires people to do their best. The values of the company resonate in every interaction, including a strong leadership model aligned around living those values every day. Employees are seen as the key source of competitive advantage.

Level 4: Equitable Growth (20%)

When companies allow people to be who they are as a person, value differences, encourage learning from mistakes, and enable people at all levels to grow, they empower people to be their best. Organizations at this level can move quickly, people work together well in teams, and creativity and innovation are unleashed. Employees are seen as individuals who will bring future sustainability and success through their creativity and innovation.

Conclusion and Next Steps

You know why employee experience matters, what organizations believe they do well and don't, and where you stand on the EX Maturity Model. Let's put this foundational knowledge to work, examining the most impactful practices—those that have an outsize effect on business outcomes—and look precisely at the role the CEO and head of HR can and should play. ■



3

Working Solutions

Just how do you become an irresistible organization? Our research identified six key findings and 15 essential practices that drive excellence.

Employee experience is complex. And the speed with which it has emerged as a priority for business leaders and organizations has sown uncertainty: uncertainty about its very definition and uncertainty among senior leaders—HR and otherwise—about what to do to drive higher engagement, foster more productivity and performance, and ultimately enable great outcomes through an empowered workforce.

We set out to study these areas through our Irresistible Organization Framework. In an ideal world, all organizations would do all six elements, 24 dimensions, and 83 practices and programs—and do all of them well. But do they all matter? Or do some *really* matter? It turns out there are factors that have a disproportionate impact on outcomes, and they're related to trust in the organization; a mission and purpose that inspires people; leaders who communicate transparently, act with integrity and empathy; a company that cares for people; and a sense of belonging and inclusion.

Key Insights

- We examined six elements, 24 dimensions, and 83 practices and programs that drive superior employee experience, finding some have a disproportionate impact on people, business, and innovation outcomes.
- Our six key findings show employee experience matters a lot, and doing it right relates to culture, trust, transparency, and a sense of belonging.
- There are 15 essential EX practices that have an outside impact on employee experience. Without them, little else matters.

Analyzing these outcomes (Figure 12), we've identified six overarching themes in organizations with superior employee experience, which are driven by 15 essential practices (more on that later). Let's start with our six core findings for how you achieve competitively differentiated EX:

1. **Focus on trust, transparency, inclusion and care.**
2. **A supportive culture plays a big role.**

3. **Innovation and sustainable growth depend on equitable rewards and building communities at work.**
4. **Consistent, mission-first people investments in any business climate improve business performance.**
5. **EX excellence directly leads to business outcomes.**
6. **HR capabilities and the right technologies are vital.**

FIGURE 12

The Top 10 Dimensions of EX, by Impact on Outcomes

x Same in multiple outcomes, but at different ranks

x Unique to specific outcome

Business Outcomes	People Outcomes	Innovation Outcomes	Relative Impact
① Transparency, empathy, integrity	① Transparency, empathy, integrity	① Transparency, empathy, integrity	<div style="display: flex; align-items: center; justify-content: center;"> <div style="text-align: center;"> <p>VERY HIGH</p> <p>↑</p> </div> </div>
② Mission and purpose	② Mission and purpose	② Mission and purpose	
③ Social, environment, community	③ Diversity, belonging, work community	③ Open, facilitated job and role mobility	
④ Continuous investment in people	④ Continuous investment in people	④ Continuous investment in people	
⑤ Safety and security	⑤ Social, environment, community	⑤ Culture that supports learning	
⑥ Appreciation, recognition rewards	⑥ Appreciation, recognition rewards	⑥ Agile team and supportive coworkers	
⑦ Personal fitness, health, wellbeing	⑦ Career growth in many paths	⑦ Career growth in many paths	
⑧ Management development	⑧ Open, facilitated job and role mobility	⑧ Social, environment, community	
⑨ Diversity, belonging, work community	⑨ Psychological and emotional wellbeing and support	⑨ Diversity, belonging, work community	
⑩ Agile team and supportive coworkers	⑩ Management development	⑩ Tools, process, and systems to get work done	

Source: The Josh Bersin Company, 2021

Our Research Approach

Our methodology is both qualitative and quantitative. We surveyed more than 950 organizations, analyzed more than 80 different practices, and correlated them against a variety of outcomes (business, people, and innovation) to determine which practices matter most. We discussed these findings with our Big Reset²⁴ groups (160-plus senior HR, L&D, talent, DEI, and EX executives from large companies around the world) and interviewed dozens of successful organizations to understand what worked. Perceptyx, a world-class survey and analytics company, was our technical partner, administering the survey and conducting technical analysis following our proprietary Excellence methodology.

EX is incredibly complex, multifaceted, and multilayered. There are a massive number of practices and programs to consider. We studied a lot of them. We looked at how companies can help establish work that's meaningful, aligned to values and capabilities, and doesn't burn people out. We checked on the role of managers, different management approaches and management development frameworks. We asked about the role of the workplace—digital, physical, and culture. We looked into ways companies enable holistic wellbeing—physical, emotional, and financial. We dove deep into the opportunities people have to

learn, develop, and grow. We checked on how companies create trust in the organization through an inspiring vision and mission, transparent leaders, and a people-first culture. And we investigated technology and service practices.

Then we determined which of these practices most significantly drove eight outcomes in three areas: business (financial performance, customer satisfaction), people (engagement and retention, great place to work, a sense of belonging), and innovation (change agility and effective business innovation). We also checked which practices had the highest impact on these outcomes, which ones were not as impactful, and more.

The Six Key Findings

1. Focus on trust, transparency, inclusion, and care.

The first thing to notice is that the themes that surface among companies with superior employee experience are not typical practices. They revolve around trust, caring, transparency, culture, and leadership, perhaps because—as one chief human resources officer put it—it’s “the soft stuff that’s the hard stuff.” EX is not about tools, processes, or efficiency, but the culture and the mission of a company and the way leaders act.

To understand how this works in real life, we studied companies that do this exceptionally well. Many household names surfaced as the highest performers in our survey, including Adobe, Allscripts, AstraZeneca, Bank of America, Bosch, Deutsche Telekom, EPAM, Hilti, Kraft Heinz, IBM, ING, Intuit, Kelly, LEGO, Microsoft, PwC, Reliance Industries, Stryker, Telenor, Telstra, TUI Group, Unilever, University of Virginia, Vodafone, and Whirlpool. These organizations put their mission and purpose first; they don’t just focus on simplifying work processes, creating manager effectiveness, enabling a great workplace, keeping people healthy and well, or helping them develop.

That’s been especially important in the past 15 months. The period since the beginning of the pandemic has shown the need to connect every person—not just millennials—to the mission and purpose of an organization and how it impacts the world. According to the *New York Times*, “YOLO” (you only live once) is a rallying cry for well-off millennials emerging from behind their laptops to change jobs, careers, and their lives.²⁵ Now more than ever, an inspiring mission and purpose is critical to a great EX—and an excellent business outcome.

Organizations such as Unilever that are known for their powerful mission and social impact are well prepared. Microsoft aligns everything to the mission to “empower every person and organization on the planet to achieve more.” Deutsche Telekom’s mission, “I will not stop until everyone is connected,” takes on a new meaning in a world in which technical connectivity can mean the difference between isolation and inclusion, education and illiteracy, work and unemployment. Culture plays a big role too—companies that create an inclusive culture where people feel that they belong, are valued, and heard rank much higher.

Values are also a factor. Microsoft sees all work shaped by its mission and purpose—and its values.

It’s “the soft stuff that’s the hard stuff.” EX is not about tools, processes, or efficiency, but the culture and the mission of a company and the way leaders act.

“When we exercise a growth mindset by being customer-obsessed, diverse and inclusive, and act as One Microsoft, that’s when we can truly make a difference in the world,” said Microsoft CEO Satya Nadella, who sees his role as “chief culture officer.”²⁶ IBM started ValuesJams in 2002—aiming to allow employees to define the values of the company. People around the world, at all levels, in all roles “jammed” about values, with hundreds of thousands of discussion threads resulting in value statements. LEGO used agile approaches to define its leadership principles from the bottom up, with a 15-person work team that was diverse by design. Discussions across hierarchy and organizational boundaries, called “campfires,” sprang to life and spread like wildfire, with thousands of them happening daily. Anybody can ask for a campfire—and employees feel empowered to do just that. “Just today, we had a campfire with the company owner and eight people from minority groups to share their lived experiences,” LEGO Group Chief People Officer Loren Schuster told us.

Why does this make sense? You may believe that in a world of postpandemic health concerns, burnout, and “languishing” (as coined by Adam Grant²⁷), health and wellbeing should be most impactful. And investments in wellbeing tools—from Mindspace subscriptions to yoga classes, cooking classes, and movie nights for the family—are at an all-time high. But these can serve as Band-Aids at best or, worse, overburden employees even more with peer pressure to participate. “After a 50-hour work week, you want me to go to a yoga class? Give me a break,” said the HR leader of a Fortune 50 consumer product company, describing the reaction of its employees to a new perk.

What about the workplace? After this year of being confined to home, surely we all long to get back to state-of-the-art offices infused with the company culture, free meals (a Silicon Valley tech company staple), and the ability to hang out with colleagues? Not quite. We don’t have an answer to the return

on investment of pricey, hybrid office rebuilds, but we found some investment should also be dedicated to the hard work of leadership, purpose, mission and values, inclusion and belonging, and building the cultural experience.

Establishing Trust

When employees trust a company, they deliver their best. But what does trust mean?

Trust in leadership has been identified as an important element for employee engagement by Perceptyx and others for years.²⁸ The pandemic has amplified the role of trust to people outcomes such as engagement and retention. But what if you are trying to optimize for business results such as profitability or customer satisfaction, or innovation and change agility?

We found trust in the organization disproportionately impacts business outcomes, people outcomes, and innovation outcomes. And it’s growing in a wider context. Edelman has studied trust in government, nongovernmental organizations, media, and business around the world since 2001. Its 2021 Edelman Trust Barometer shows after a year of disruption through the pandemic, economic turmoil, and social and political unrest, the only institution a majority of people now trust is business.²⁹

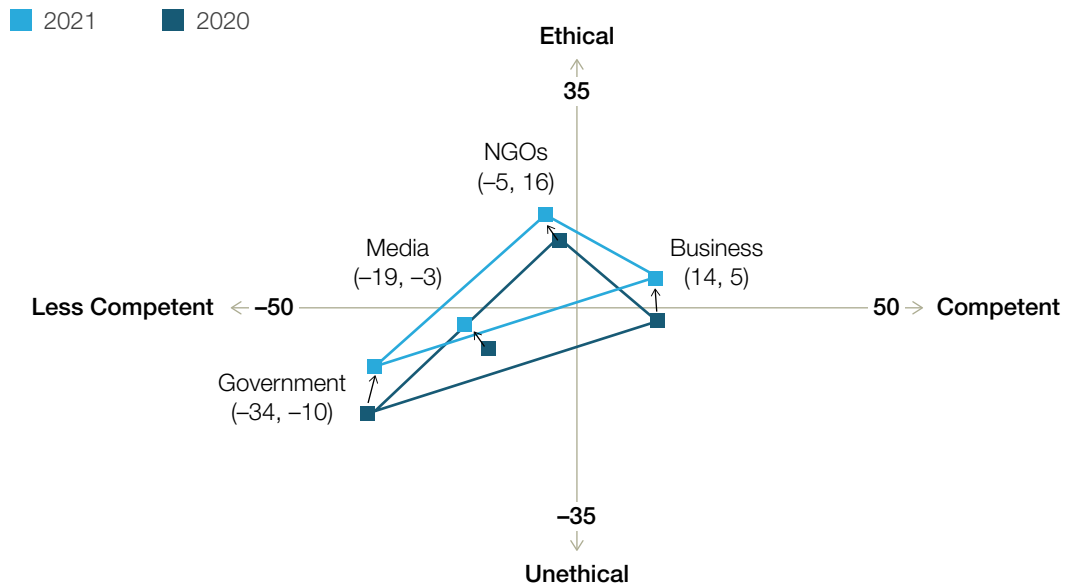
No wonder CEOs face such high—and growing—expectations to address societal problems. Edelman found 86% of people look to CEOs to publicly speak out on challenges such as the impact of the pandemic, job automation, or local community issues, and 68% look to CEOs to step in when government doesn’t fix a problem.³⁰

So what creates trust? According to Edelman, trust depends on two factors: competence and ethics. And business is now the only group regarded as both competent and ethical (Figure 13).

FIGURE 13

Business Is Now the Only Institution Seen as Both Competent and Ethical

Competence score, net ethical score



Source: Edelman 2021 Trust Barometer

Competence. Competent, ethical leaders are critical to trust in the organization. If you feel your CEO doesn't really understand the business environment, customers, and employees, how much confidence in the company would you have? "You get a guy or a woman in charge of it—they're personable, the directors like 'em—they don't know what they're doing. But they know how to put on an appearance. That's the biggest single danger," said legendary investor Warren Buffett.³¹ Likable yet incompetent leaders may have lots of followers that trust them in the short term, but that erodes.

Ethics. Similarly, competent but unethical leaders destroy trust. That's easy to understand. But ethics is not necessarily easy, as Harvard Business School Professor Max Bazerman argues. It goes beyond simple rules such as "don't lie" or "don't cheat." What if we need to decide how

an autonomous vehicle should respond when a crash is unavoidable? Should it hit another car or pedestrians on the sidewalk? Bazerman regards the key for leaders as focusing on creating the most value for society—blending philosophical views with economic pragmatism.³²

One of the most important factors of trust in the organization is trusting your employees. People won't trust you if you don't trust them. How do you demonstrate trust? Communication is important, but what's even more critical is how managers and leaders act, and what policies and procedures are in place. For example:

Workplace and hybrid work approaches. Do you allow people to define where, when, and how to complete their work? Or do you rigidly mandate details of work that might not fit their

needs? While GM CEO Mary Barra established a “work appropriately” philosophy that trusted employees to be productive, former Yahoo CEO Marissa Meyer famously reviewed VPN logs to see if people working remotely were actually “productive”—which backfired amid employee outrage and declining company performance.

Accountability for outcomes, not presence.

How do you create accountability for work? The most successful companies give people autonomy over how they accomplish their goals, and they empower managers to help people tie goals to the mission and purpose of the company.³³ Intuit uses objectives and key results and technology from BetterWorks to make that connection real. For example, it allows people to link individual goals to broader business priorities while also giving them the freedom to decide how to get work done.

No micromanagers. What’s the role of managers in your company? Are they information hoarders that withhold insights from people to increase their power? Do they dictate every step of their team’s work and control them with endless checklists and status reports? Or do they empower people to do their best work, allowing them to experiment and learn from mistakes? A culture that celebrates mistakes as learning opportunities and managers who empower team members will create business success—and much more engaged employees.

Trust is vital to performance, resilience, innovation—and employee experience. If people believe in the company, its mission, vision, and leaders, they’ll be much more accepting of small issues or barriers. Think about it: would you rather have the smoothest work experience ever at a company just seeking to make money, which uses unethical sales practices and doesn’t value people? Or work for a company where tools and systems are clunky but your heart is in it, you’re proud to work there, and you regard its leaders as role models? When people don’t trust your company, you have to offer

a lot of money and perks for them to even consider joining you—and, even if they do, you may not be able to hold onto them.

2. A supportive culture plays a big role.

There’s a lot of consistency in the most important dimensions of employee experience. Whatever your corporate culture, there are a few unalterable truths that span any setting, country, industry, or company stage, whether you work at a small technology start-up in Palo Alto, a medium-sized accounting firm in Berlin, or a 500,000-employee conglomerate in India. These three cultural traits build the foundation of a strong culture:

- Transparency and ethics
- Inclusion and psychological safety
- Empowerment and growth

There’s another final, critical element to a supportive culture. When we correlated our 83 EX practices against a series of outcomes, one was by far the best predictor of excellence: people helping others. In fact, this practice was the strongest predictor of five out of the seven business, people, and innovation outcomes we reviewed. Why is helping others so important? Because it transforms EX from a top-down, us-versus-them, passive process of simply removing barriers to a smooth workday into an exercise in culture.

Transparency and Ethics

When people feel included in detailed communications around remote work, they are almost five times more likely to be productive, according to a McKinsey study. So, while actual decisions matter, what matters more is how the company communicates them. If people can trust

leaders to involve them in decisions involving their work and feel the company puts them first, productivity is higher.³⁴

IBM enables two-way communication in chats and social media so anybody can start a conversation with anybody else, and recent college hires are known to ask the CEO direct questions about strategy, culture, or how to contribute in the company. Nielsen deployed “Ask Me Anything” through an open platform, using a chat feature for employees to question the leadership team. MetLife does polls to understand how employees feel about what’s happening outside of the company. AstraZeneca uses a massive

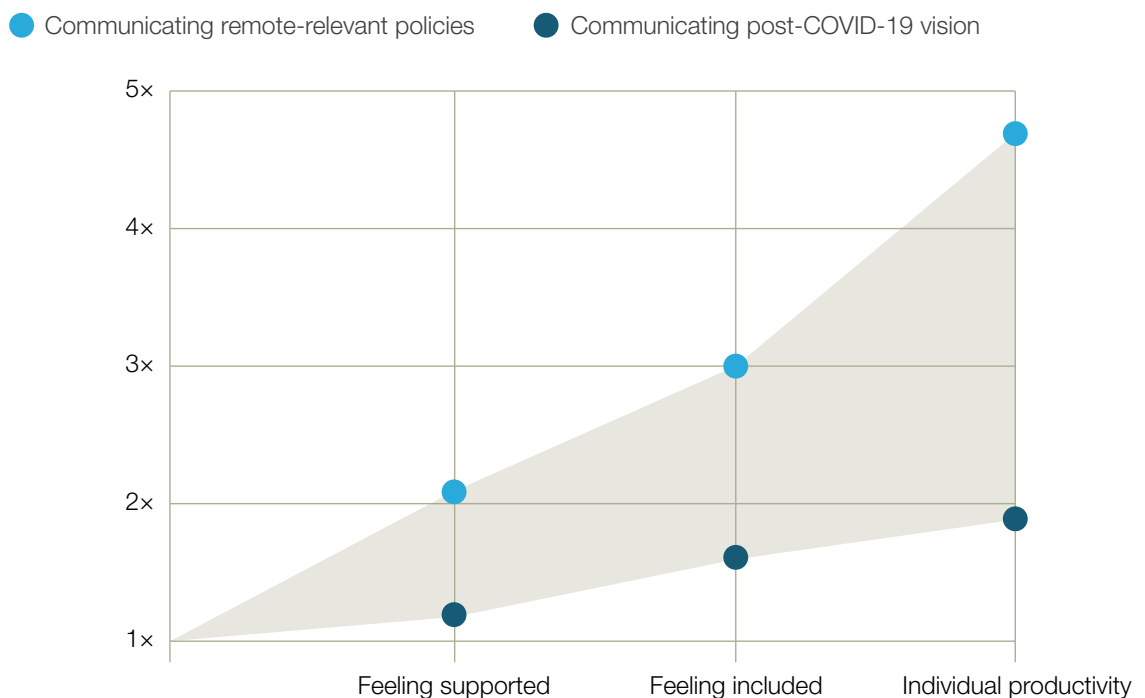
crowdsourcing approach to develop its future work approach. Kraft Heinz saw a big change in culture when its new CEO put transparency at the center of everything people do, triggering reviews of the human resources information system and people analytics strategy for opportunities to increase transparency.

We see transparency and ethics in the middle of effective leadership behaviors, foundational to empathy and integrity, but also critical to appreciation, recognition, and rewards. If we are open and transparent about criteria used to recognize people for a job well done, and rewards are seen as fair, the results will be much better.

FIGURE 14

Employee Wellbeing and Productivity Rises in Line with Communication

Importance of communicating vision and policies on productivity, support, and inclusion, impact multiples



Note: All analyses conducted while controlling for all other predictors, region, industry, company size, job level, age, gender, and parental status (n = 4,854–5,043).
 Source: McKinsey & Company; Reimagine Work; Employee Survey (Dec 2020–Jan 2021, n = 5,043 full-time employees who work in corporate or government settings)

Inclusion and Psychological Safety

We wrote an entire study on how to elevate equity and create a sense of inclusion and belonging for the workforce.³⁵ When businesses see diversity, equity, and inclusion not as an HR program but a business necessity, they are more profitable, have much higher engagement and retention, and innovate more. Companies perform better when everyone can be their authentic self, valued, and heard, which is why organizations such as Target, Cisco, LEGO, and others with inclusion and equity built into the mission of the company are more successful.

Especially in the context of the pandemic, many people felt disconnected and craved a sense of community. Building communities at work can take many forms, and agile teams and supportive coworkers have a role. When Deutsche Telekom introduced agile ways of working, it gave everyone a “voice,” regardless of their role. PwC sees every person as a leader and provides them with AI-based cultural insights to surface areas of bias and help them work better with others. For example, if they ask fewer questions to one team member or if their email tone is less positive, the tool surfaces this as a nudge to change that behavior.

Empowerment and Growth

When Microsoft CEO Satya Nadella introduced the concept of a “growth mindset,” modeling the approach to switch leaders from “know-it-alls” to “learn-it-alls,” the company transformed into one of the most trusted in the world. Empowering people to make their own decisions and take their career and development in the direction they want, and enabling a learning culture that values mistakes as opportunities to learn, is critical to innovation, as well as business outcomes.

There are many tools to support learning and development: in fact, the average large company uses 12 technologies just for L&D, and it’s gotten

so complex that the LXP—a platform that helps bring the right learning to employees by making recommendations on what might be suitable—has itself become a hot category worth a lot of money. Talent marketplaces help people locate the right career, project, or job opportunities within a company, and Gloat, Eightfold, Fuel 50, Avature, and Phenom are among those building elaborate platforms and skills engines. It’s extremely complex from a technical perspective—but none of these systems will go far without a culture that values growth.

Schneider Electric and Unilever were two pioneers in the area of bringing talent marketplaces to life, as well as developing cultures that value risk-taking, encourage mobility not just up but into different areas, and support people to find their next opportunity inside the company. Bank of America built out a massive academy to develop business skills, leveraging life stages to frame personas, and developing capabilities for customer service people around empathy and inclusion. Because the culture enabled people to learn and grow, engagement increased while turnover fell.

The Top Driver of Success: People Helping Others

Our research shows companies where people help each other are four times more likely to meet or exceed financial targets, more than five times more likely to satisfy and retain customers, and more than seven times more likely to engage and retain employees. They’re also more than seven times more likely to be recognized as a great place to work, and more than 10 times more likely to create a sense of belonging. What’s not to like?

Dr. Edgar Schein, a professor who has devoted his life’s work to studying organizational culture, sums it up: “Help in the broadest sense is, in fact, one of the most important currencies that flow between members of society, because help is one of the main ways of expressing love and other

caring emotions that humans express.” In his book *Helping: How to Offer, Give and Receive Help*, Dr. Schein details two basic requirements for help to be successful: understanding by the helper to get to the real need or problem to solve, and trust by the client (the person receiving help) so they share the actual source of frustration or confusion.

At work, this manifests in myriad contexts at all levels. Maybe a worker is advising a coworker on how to solve a problem. A HR consultant guides a business partner on a DEI issue. A manager provides coaching to their direct report. A customer service representative answers a customer question. A leader communicates strategic direction. Alan Mulally, the CEO who turned Ford around, famously asked in executive meetings about status of failing business lines, only to be assured everything was in order. Meanwhile, profits were declining, the company was losing customer share, and bankruptcy was near. After much prodding from Mulally, one executive finally admitted they were behind and asked for help. Mulally applauded the leader, showcasing that only helping others could turn the company around.

Creating a Culture of Help: Listening and Trust

So, how do you create a culture of help? Listening is a superskill. In our DEI study, we identified listening as the most important practice, far ahead of diversity training or recruiting from diverse pipelines.³⁶ When companies listen to the workforce and act on the input to address barriers to DEI, they are more profitable, have better customer results, and create a sense of inclusion. Listening is at the heart of innovation, too—without listening to different perspectives, we would not have incredible outcomes like the COVID-19 vaccine, developed in just nine months, when the fastest previously developed vaccine (for mumps) took four years.

Listening takes many forms, from individual to team to organization. Without it, we can never understand problems or develop actions to address them. Microsoft listens to a different subset of employees each day, with pulse surveys that rotate so every person has the opportunity to share their voice approximately once per quarter. In addition to closed survey questions, it also asks broad open-ended questions like “what’s on your mind today?”, eliciting the concerns and needs of their people, allowing them to address them in a timely way. For Microsoft, listening is an integral part of the growth mindset. “We want our leaders to come into the room with the intention to *get it right*, not to *be right*, and therefore to listen and learn from others,” says Kate Johnson, Microsoft U.S. president. Courageous leaders display empathy and listen to different viewpoints, approaches, and needs.

Trust is the other dimension of help. We already talked about trust in leaders and the company. The kind of trust that’s needed for help is psychological safety: do I trust in the person, group, or company trying to help me so I can tell them about my problem? Think about a time when you tried to help somebody but it was not successful, even if you asked lots of questions to get to the root cause. What’s behind this could be a lack of trust: the person you tried to help didn’t trust you enough to share their “real” problem. A lot of exit surveys reveal this problem.

Even passive-listening tools that evaluate how you spend your time, who you communicate with, and when you work require a level of trust in the company (to not abuse your data to fire you, for example). IBM is even working on a trust index that may include questions on trust but also behaviors that display trust or the lack of it—for example, the number and nature of questions posed to executives from junior workers in chat

conversations. If there are a lot of these questions, it may show people trust leaders with any questions.

What Does a Culture of Helping Look Like?

How do you know if you have a culture of help? Some tangible examples:

HR services. Are HR services geared to what's easiest for your HR service organization, or do you truly try to understand employees to design services that help them work better in their unique situations? Deutsche Telekom uses design thinking, personas, and agile approaches to make services helpful for its employees, bringing employees to the forefront and designing around their problems—not HR's assumptions of their problems.

Performance management. Are people competing for the highest rating so they can make more money than their colleagues, or are people trying to do their best work and accomplish team goals? Dr. P.V. Ramana Murthy, the chief human resources officer of the Indian Hotels Company, realized its competitive, ratings-centric approach to managing performance inhibited the collaboration necessary to create a world-class customer experience. After he changed the performance-management approach, not only were people much more engaged, but customers also were delighted because now everyone works together to make their stay not just good but outstanding.

The role of leaders. Are leaders focused on the business first, taking people along for the ride, or do they see people as the key to business success? Human-centered leaders see their most important role as helping others: they ask questions, empower others to succeed, and play the role of coach. LEGO designed its leadership framework around helping others: “Energizing everybody every day.”

3. Innovation and sustainable growth depend on equitable rewards and building communities at work.

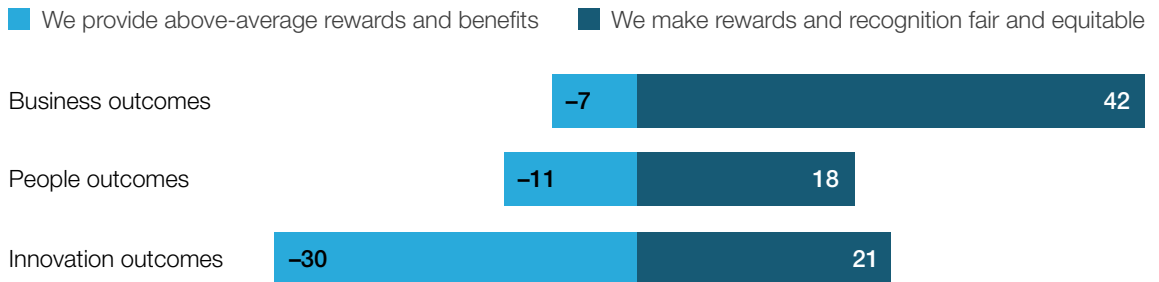
Employee experience is sometimes used as a code word for pay and perks. Companies that can afford it throw lavish amounts of money at people to attract them and to make it very hard for them to leave—the proverbial “golden handcuffs.” While this may work in the short term to quickly hire talented people, money won't make up for a poor work environment. People will either leave or, arguably even worse, check out and “leave in place.” We found offering outstanding rewards and benefits has an impact well below the average of all 83 EX practices we studied. However, making rewards and recognition fair and equitable has a significant impact on business, people, and innovation outcomes (Figure 15).

Money won't make up for a poor work environment. People will either leave or, arguably even worse, check out and “leave in place.”

FIGURE 15

Money Alone Doesn't Talk

Impact compared to average for outcomes, %



Source: The Josh Bersin Company, 2021

The reason? While paying a lot is easy when you have the money, people respond more favorably to fair and equitable rewards and recognition because they see it as based on performance and contribution, not bias or favoritism. As a result, they're more productive, engaged, and innovative. In fact, companies making rewards and recognition fair and equitable are more than four times more likely to have outstanding business outcomes, more than five times more likely to accomplish outstanding people outcomes, and more than six times more likely to innovate and adapt well to change.

Unilever is a good example. The company's leadership team searched for a tool to get real-time, employee-level insights into each person's total rewards package—including salary, bonus, benefits, and other incentives. Unable to find any that fit the bill, Unilever built its own platform, uFlexReward, enabling leaders to see pay parity across different groups. "We are a soap maker, not an HR tech company," said Tom Dewaele, Unilever's global head of EX, "but we couldn't find what we were looking for in the market. We built it ourselves, because fair rewards are critical." The

results have been outstanding, closing the gender pay gap in the United Kingdom completely. In comparison, big consulting companies such as McKinsey, Deloitte, Bain, PwC, and others report a bonus pay gap of between 33% and 60%—which means women earn a bonus of 40 to 67 cents for every dollar men receive.³⁷

Salesforce went person by person, reviewing every employee's pay data. "We found that 6% of employees, mostly women, would need their salaries adjusted upward, and the total cost of these adjustments worked out to about \$3 million," Salesforce CEO Mark Benioff said. "That's not a small sum, but given how profoundly appropriate and necessary this was, it seemed like a relative bargain."

Monitoring pay parity is only part of the story, of course. For sustainable pay equity, companies need to take proactive action to mitigate biases at all points to prevent it from creeping in when people join (some locations, like California, have made asking for your current salary illegal to avoid this), when they're promoted, when career changes occur, and in performance management.

Companies are higher performing when they inspire a sense of belonging, where every person can be themselves, and where differences are valued.

A 2020 Deloitte study found performance-management biases—in setting goals, feedback, development opportunities, and ratings—can be addressed using the Awareness/Calibration/Technology approach.³⁸ Much has been done to increase awareness of bias, with every major company training managers and employees on what bias is. Calibration occurs when we move from a single perspective to several different ones—for example, managers discussing goals for their teams, career opportunities, and individual and team accomplishments. Technologies such as CultureAmp can surface biases in feedback, where women receive less useful, more personality-related input. Cultivate, an AI coaching and culture tech tool, surfaces biases in communication with different people, letting you know you respond more quickly or in more detail to one person's emails compared with another's. These insights help “make the unseen seen,” as an HR leader put it, and help us manage better—which eventually results in more equitable rewards.

Importantly, rewards don't need to just be and stay fair and equitable. Beyond increasing fairness and decreasing bias in rewards decisions, it's perhaps even more important employees understand and know what criteria are used for determining rewards levels, that there are no “hidden agendas,” and the company is constantly working to eliminate bias in rewards decisions. Microsoft shows its pay equity results on its website, Salesforce went on a

campaign to promote its investment and strategy to mitigate bias in rewards, and Unilever shares pay practices transparently with its employees.

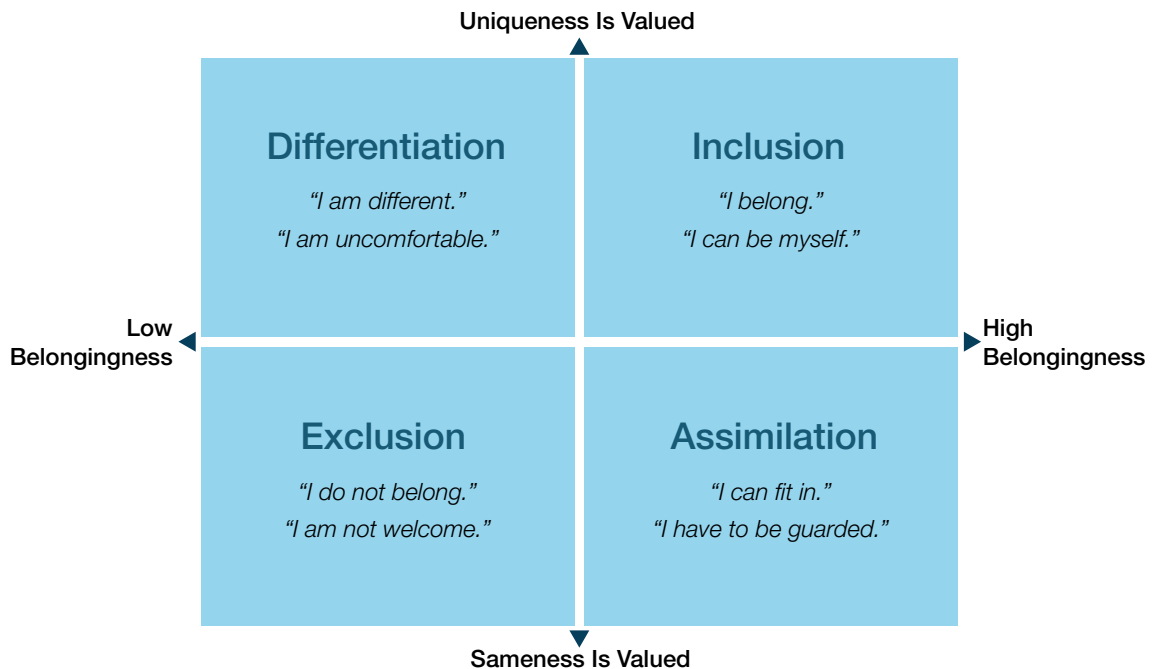
Building Communities Is Essential to Winning the New War for Talent

Diversity, equity, and inclusion were huge topics in 2020. The murder of George Floyd in June 2020 caused outrage around the world, with demands for social and racial justice. Companies are higher performing when they inspire a sense of belonging, where every person can be themselves, and where differences are valued. Study after study has shown the value of diverse teams to outcomes, from customer satisfaction to profitability and growth to innovation. And employee surveys from Glint and CultureAmp demonstrate that when people feel they belong, they are much more engaged, happier, and just all around better at work.

We've written a paper on *Elevating Equity: The Real Story of Diversity and Inclusion*.³⁹ One of its key findings: inclusion is the goal; diversity is the result. Starting with inclusion—a sense of belonging and feeling valued—rather than diversity is the way to go.⁴⁰ Companies such as Target, Consumer Reports, and TetraPak know this and are on journeys to build inclusion, measure not just diversity but how that sense of inclusion is created, and introduce accountability at all levels (Figure 16).

FIGURE 16

A Framework for Inclusion



Source: The Josh Bersin Company, 2021

A sense of community and connection is critical to feeling we belong. Communities can take many forms, and the most successful companies empower employees to contribute in meaningful ways to those they identify with. Some ways companies can support communities at work are:

Fostering employee resource groups. The most successful employee resource groups encourage participation from anybody, not just the people within that community, and work on more than events or networking to solve real business problems. Hilton uses these groups—it calls them Team Member Resource Groups—as part of its business strategy, testing marketing and product approaches. Hallmark leveraged its Asian American Resource Group when Father's Day cards weren't selling in San Francisco, identifying the language used didn't resonate with that group.

Powering communities of expertise. The key here is effective, next-generation knowledge management centered not on content but people. When we contribute our expertise to others, we help create more knowledge and better business outcomes. Mott McDonald, an engineering consultancy based in the United Kingdom with 16,000 employees, sees knowledge as its heartbeat and facilitates expert communities around topics that matter. With more than 60 communities, each focused on different types of projects or other topics, the company increases not just productivity and performance but also engagement and retention of its engineers, using Microsoft Viva Topics as the technology foundation.

Supporting community-building outside company walls. Successful companies support employees to contribute to the communities

they work in. Kaiser Permanente’s mission is “to provide high-quality, affordable health care services and to improve the health of our members and the communities we serve,” and executives are held accountable for contributing through specific community service goals. Workday now includes EX, development, and health under Carrie Varoquiers, president of its Workday Foundation, because it sees the strong connection between those elements.⁴¹

4. Consistent, mission-first people investments in any business climate improve business performance.

The pandemic was a black swan event, impacting different industries and geographies in different ways. Small companies especially struggled to stay afloat, but even massive firms such as airlines or hotels experienced major downturns. When money is tight, it’s easy to clamp down on investments such as hiring the right people, developing and reskilling people, making work life easier, creating consumer-grade experiences, supporting health and wellbeing, and focusing on culture.

Our study showed 3 in 5 companies don’t prioritize investments in people when the business is not doing well, with wide distribution across different industries. Yet we also found that companies prioritizing investments in people irrespective of the business environment are much more profitable and have more satisfied customers—in addition to having more engaged employees, and being perceived as a great place to work (Figure 17).

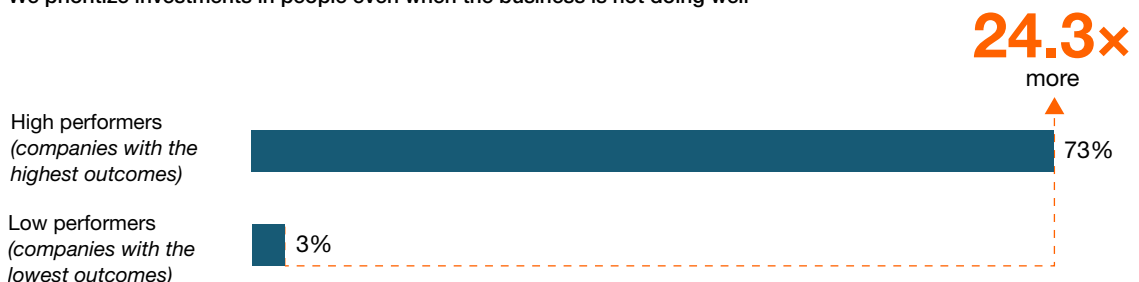
For instance, Bank of America’s academy for its customer-support employees dedicates a lot of money and effort to increasing capabilities—because it saw the biggest differentiating factor in customer satisfaction was the tenure of the employees. Longtime employees can empathize with customers across life stages, know their way around Bank of America and its products, and navigate the internal maze more effectively. The company’s investment in them pays off with increased engagement and retention—and more satisfied customers.

Walmart and Disney take a strategic, planned approach to developing frontline workers. Instead of offering lower-paid individuals tuition assistance, which would require them to prefund thousands of dollars to develop new skills, the companies

FIGURE 17

Prioritize Mission, Vision, and Purpose

We prioritize investments in people even when the business is not doing well



Source: The Josh Bersin Company, 2021

use Guild Education’s platform to help workers define career pathways and transition from register baggers to customer service reps. This investment—in some cases close to \$100 million—pays off with increased retention and engagement, and ultimately better business performance. It helps the companies create career pathways for employees, transitioning them from areas that need fewer people to those with increased need.

With health and wellbeing also now a C-suite priority, many companies invest significantly in everything from physical fitness with outdoor gyms to new and improved healthcare benefits, emotional and financial wellbeing tools, and support for families and caregiving responsibilities.

Focus Investments on Mission, Vision, and Purpose

Investments in people shouldn’t stop at individual support for skills, capabilities, growth, and health. The most successful companies also focus on amplifying their mission and purpose, with every

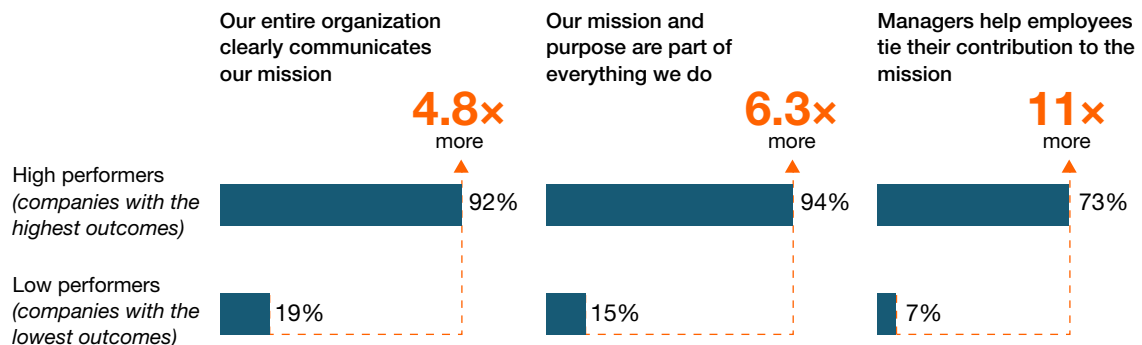
generation—not just millennials—looking for purpose and meaning in their work. Of course, every company has a mission statement. How “real” is it at your company?

High-performing companies do these things to make the mission come to life, to hardwire purpose into the fabric of the organization:

Involve employees and customers to define the mission and purpose. The most inspiring mission is not shaped only by the CEO or founder; it’s also shaped by input from employees and customers. We work with a lot of HR tech companies to help define their value proposition, and we always ask to talk with customers. Every time, company leadership learns something new about how their product creates value. IBM uses ValueJams to define everything from values to mission and purpose. A large technology company in the Bay Area defined its mission statement using a hackathon. Either approach makes the mission and purpose statement better, more real, and more adopted (Figure 18).

FIGURE 18

Prioritize Mission, Vision, and Purpose



Source: The Josh Bersin Company, 2021

Communicate the mission and purpose everywhere. Your mission needs to go on your company website and employee portal, and you can also create screen savers and posters. But communicating it must be deeper and broader. Think of town halls, leadership meetings, new-hire onboarding, learning programs, discussion boards, and social connections. LEGO created “missions”—assignments to try out its new leadership framework—asking people to experiment in work situations. AstraZeneca enables people to tell stories about various topics on a chat board. Reliance Industries does the same, celebrating people who share the most. The opportunities are endless—and your employees will help you identify them, so involve them in that process, too.

Enable managers to help employees tie their contribution to the mission. Understanding how your job supports the “greater good” has been identified as critical to employee engagement in many studies. You may have heard the story of President John F. Kennedy visiting NASA headquarters in 1961. He introduced himself to

a janitor who was mopping the floor and asked him what he did at NASA. “I’m helping put a man on the moon!” was the reply. Managers play an important role in breaking down the grand mission into smaller, bite-sized pieces. Intuit uses objectives and key results (OKRs) leveraging BetterWorks technology to translate company objectives into individual objectives and define key results to be accomplished. Managers support employees, but the process is really driven by individuals. “Employees want to know that we’re all working toward the same shared objectives for the company,” said Intuit’s vice president of talent development, Humera Shahid.⁴²

When companies make the mission and purpose part of all work, they are 4.3 times more likely to meet or exceed financial targets and 4.8 times more likely to satisfy and retain customers—the single most impactful practice for business outcomes. Why? Because everyone works toward the same outcomes, is inspired to do good work, and helps each other get there.

When companies make the mission and purpose part of all work, they are 4.3 times more likely to meet or exceed financial targets and 4.8 times more likely to satisfy and retain customers.

5. Employee experience excellence directly leads to business outcomes.

Engagement is an important outcome of a great employee experience, but not the only one. Sure, if people are more engaged, they will be happier, more productive, and provide better service to customers. But what we identified in our study is companies focusing on the right EX strategies and practices have better outcomes across business, people, and innovation (Figure 19).

We describe later in this section the 15 essential practices disproportionately driving superior EX. In short, when companies create a supportive environment and psychological safety, focus all business practices on the mission and purpose, and enable people to grow in an equitable way, they

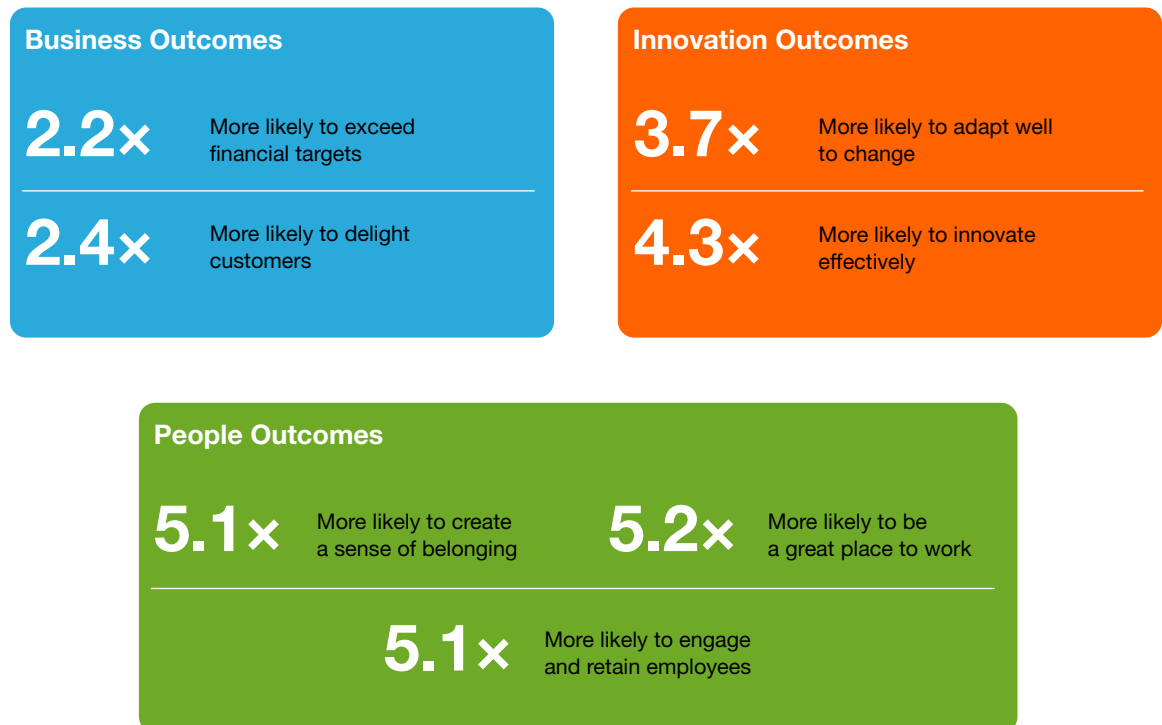
are not just recognized as a great place to work but also excel in financial performance, customer outcomes, change agility, and innovation.

None of these practices are quick or easy to do, or can be solved with a small adjustment or a technology investment. They are systemic cultural shifts taking years to master—and require companies constantly listen to employees, understand what they need, and adjust all the time. No one group can own this: leadership has to come together across functions to address cultural issues, mistrust in the company, ethics challenges, or changes in management approaches.

Only companies that understand a great customer experience is impossible without an equally good EX are successful in the long run. Dr. Murthy of Indian Hotels realized the company's management

FIGURE 19

The Business Impact of EX Strategies



Source: The Josh Bersin Company, 2021

systems undermined a culture of helping others. People competed against each other because of the way they were evaluated and rewarded. So the team changed its approach to compensation, performance management, and overall EX from intense individual competition to fostering collaboration, listening, and trust. Over time, the guest experience also changed, sparking a significant business turnaround.

6. HR capabilities and the right technologies are vital to a great employee experience.

EX is about trust, transparency, caring, and empathy. It's about leadership and culture, growth, communities, and equity. How do you enable these big strategic concepts and scale them for your workforce? Two areas are critical: HR capabilities and the right technologies. Many companies focus on technologies to improve EX. But improving HR capabilities is an incredibly important lever you also have to pull.

Why HR Capabilities Are So Critical

Through the JBA Global HR Capability Project, based on a year of research and collaboration with clients, we identified 94 business capabilities that define high-performing HR teams. And we call them capabilities because they develop over time: each requires a combination of understanding, skills, and experience.

As of the publication of this report, more than 4,000 JBA members have taken this assessment, reflecting the capabilities of more than 200 organizations. In the past year, several large clients took the detailed data from the JBA Capability Assessment and correlated it against employee retention, engagement, and productivity. What they found is impressive: among all the factors contributing to EX and productivity, the capabilities of HR are among the strongest contributors. In

other words, developing and aligning your HR function may be the most important business imperative for the competitive labor market ahead, and in creating a great experience.

The HR 3.0 study (a collaboration between Josh Bersin Research and IBM), which surveyed and interviewed nearly 2,000 global corporations, found an even stronger correlation between HR capabilities and EX. In that study, we evaluated dozens of HR practices and correlated them to company revenue growth, profitability and financial efficiency versus competitors, and innovation. We then rated each company's HR capabilities from very poor or no investment at all to poor, fair to good, good to excellent, and world-class. The results were astounding:

Revenue growth. Companies with world-class HR skills are 4.5 times more likely to be "significant outperformers" in revenue growth and 1.5 times more likely to be "outperformers." Companies with poor and fair to poor HR skills are half as likely to be outperformers in revenue growth and are never growth leaders in their industry.

Profitability versus competitors. Companies with world-class HR skills are 5.5 times more likely to be "significantly more profitable than peers" and twice as likely to be "more profitable than peers." Companies with good to excellent HR skills are 2.5 times more likely to be "significantly more profitable than peers" and twice as likely to be "more profitable than peers." Companies with poor and fair to poor HR skills are half as likely to be outperformers in profitability and never leaders in profitability.

Innovation. World-class HR skills companies are 6 times more likely to be "significantly more innovative" and 1.8 times more likely to be "more innovative." Companies with poor and fair to poor HR skills are again half as likely to be innovative, and they never lead in this category.

Companies with “very low” HR skills are 10 times less likely to be innovative and none of them are “more innovative” than peers. They *never* outperform their peers in revenue growth, and they’re 6 times less likely to be profitability leaders. To summarize, companies with world-class HR skills are in the 95th percentile in revenue growth, 92nd percentile in innovation, and 86th percentile in profitability. Companies with poor HR skills are never revenue growth leaders, only 3% are above average in innovation, and only 10% are above average in profitability.

Finally, in our *Elevating Equity* DEI study, we looked at 80 diversity practices and, once again, HR skills came out on top. Companies with strong HR capabilities in DEI are 4.5 times more likely to have a strong sense of belonging, 3.3 times more likely to engage and retain people, and 2.8 times more likely to be seen as a DEI leader among job candidates. The problem? Among the 94 capabilities in our HR model, DEI is the lowest-rated among global HR professionals. This is one to pay attention to.

This Is Why We Must Invest in HR

The bottom line is simple. In today’s competitive and highly disruptive labor market, companies

must invest in HR capabilities. That doesn’t just mean hiring a lot of people—it also means training, upskilling, and providing job rotation, mentorship, and alignment programs for every single HR professional. Everything is about EX right now. The entire pandemic response and shift to hybrid work has focused all organizations on making employees safe, productive, and aligned. And as the labor market grows, companies are bending over backwards to make work easier, better, and more attractive.

Technologies That Matter Most

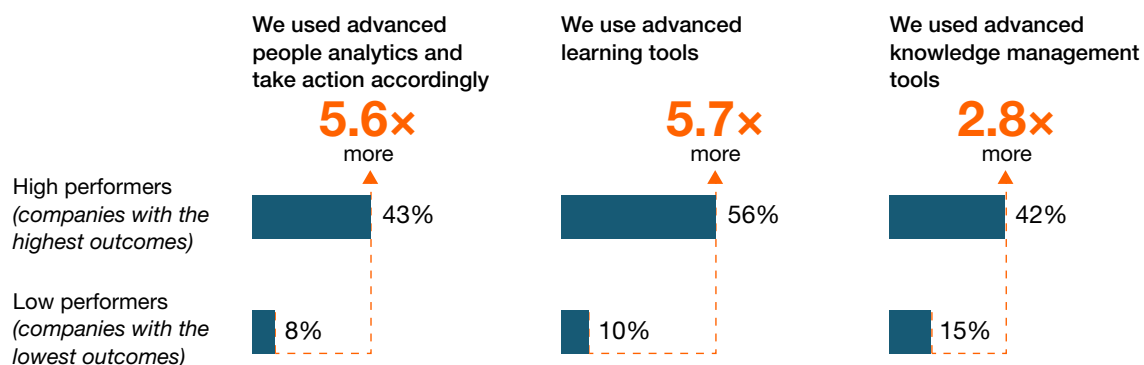
While people are the beating heart of all organizations and the one truly indispensable asset, technology is crucial. Without the right technologies, companies can’t get the right insights, provide personalized learning opportunities, or build communities at scale (Figure 20). When it comes to the EX, technologies complement human interactions and behaviors to make them repeatable, sustainable, and scalable.

Advanced People Analytics

People analytics—measuring, analyzing, and taking action based on workforce data—used to be a clerical reporting function, typically tracking headcount and basic job data. It’s evolved into

FIGURE 20

Critical Tech: People Analytics, Learning, and Knowledge Management



Source: The Josh Bersin Company, 2021

When we are productive, we are also more engaged, healthier, and happier—and contribute more to customers.

a full-blown function, with companies such as Facebook and Capital One building large people analytics teams all aimed at making sense of all the insights we get about employees.

Our studies show high-performing companies use an average of 10 different tools for people analytics, from a human resources management system to a learning management system to analytical and data visualization tools. It's a complex area—because people are complicated and multidimensional. To really have impact that matters, in addition to people data you need insights on productivity, customer satisfaction, sales numbers, safety, and financial performance—and the ability to put these insights into the flow of work of those people who need to act on them. Trust is a factor because companies now have access to enormous amounts of data—and must do the right thing with it. “Just because you can doesn't mean you should measure it,” one people-analytics leader said.

Why is advanced people analytics so important? Because it gives us insights into who employees are, how they work, what they need to succeed, and whom they work with. To improve EX, you need people analytics to tell you where the problems are and what actions to take.

Advanced Learning Tools

The corporate learning market is a \$20 billion business, going through enormous transformation.

From administrative learning-management systems that store courses to learning-experience platforms and microlearning nudges, you need an entire learning infrastructure to manage, provision, and store learning programs, courses, classes, and resources. Social learning (learning with others) and experiential learning (learning from experiences) are also important. If we want to empower employees to grow and develop their skills and capabilities, we need the right tools that put learning in the flow of work, not as a separate standalone process.

Next-Generation Knowledge Management Tools

Today, every company is a knowledge company, and every job needs knowledge management. There's so much to know. Salespeople need to constantly keep up to date with the latest products, features, and customer needs. Software engineers have to be aware of functionality, system features, integrations, and analytics. Customer support reps need to understand and know how to resolve the complex questions customers ask them. The problem? Much institutional knowledge is stored only in people's heads and, even there, may not always be accessible. Knowledge management for the modern world has advanced from content tracking systems to experience-first platforms aimed at enabling productivity in the flow of work. When we are productive, we are also more engaged, healthier, and happier—and contribute more to customers.

The Fifteen Essential Employee Experience Practices

We've repeatedly noted that EX is complex. That's why our primary ambition is to simplify it for you: to distill the essence of what's most effective in driving higher employee engagement, productivity, and great outcomes from an empowered workforce. Now that you know the six findings that drive superior EX, the question is: what specific practices drive these outcomes?

When we dug into the practices undepinning irresistible organizations, we were surprised: among more than 80 practices and programs studied, 15 have an outsize impact on business, people, and innovation (Figure 21). We call these the "essentials," because without them very little else will matter. And these essential practices work across all industries, geographies, and company size. When they're deployed, many of the typical investments work well. But when they're not, a focus on "digital tools" or "EX programs" simply doesn't drive much impact.

Inspire Trust Through Transparency, Empathy, and Integrity

Good things happen when leaders communicate openly, transparently, and ethically; when people trust leaders; and when people help each other. People are more engaged, happier, and healthier. Financial performance is stronger. Customers are much happier. And companies innovate more. Consider Kraft Heinz. Its CEO focused on transparency as a key value for the company, asking every team to translate what transparency means for them. The people-analytics team reviewed its work to see if it was as transparent as possible to employees, managers, leaders, and HR. The outcome? The team changed and started

explaining up front the reason for employee surveys, what it wanted to get out of them, and their intended use. It resulted in more employees participating, and they feel more comfortable trusting the company with their data.

Have a Mission and Purpose Beyond Financial Goals

People are empowered to be and do their best when a company's mission and purpose are part of everything it does, when it's clearly communicated, and when managers connect it to empower people's daily work. Microsoft wants to "empower every person and organization on the planet to achieve more"—a powerful reminder to help others, wherever you are or whatever job you have. Sutter Health helps janitors see how their work saves lives, because without clean rooms, patients can't receive care. HR people at Kaiser Permanente tour hospital emergency rooms to get close to patients and see how their work helps people "thrive."

Make Rewards and Recognition Fair and Equitable

Many studies show people are not motivated by money, and it's hardwired: research shows children are less interested in others' welfare after receiving a reward for helping them.⁴³ Because extrinsic rewards don't work for motivation, companies are better off designing work environments so people want to perform well. Having said that, rewards and recognition are a hygiene factor that above all need to be fair—and perceived as fair and equitable. About his multimillion-dollar investment and ongoing commitment to gender pay equity, Salesforce CEO Marc Benioff said: "Holding equality as a value is not just a matter of fairness or doing the right thing. Nor is it about PR or 'optics' or even my own conscience. It's a crucial part of building a good business, plain and simple."

FIGURE 21

The Fifteen Essential EX Practices

Practice	Dimension	Element	Relative Impact
① Foster a culture of integrity and helping others	Transparency, empathy, integrity	 Trust in the Organization	VERY HIGH
② Embed mission and purpose as part of every activity	Mission and purpose beyond financials	 Trust in the Organization	
③ Inspire trust in leaders to be ethical and operate with agility	Transparency, empathy, integrity	 Trust in the Organization	
④ Clearly communicate the mission and vision	Mission and purpose beyond financials	 Trust in the Organization	
⑤ Enable open, transparent, and honest leadership communication	Transparency, empathy, integrity	 Trust in the Organization	
⑥ Use fair and equitable rewards and recognition programs	Appreciation, recognition rewards	 Positive Workplace	
⑦ Prioritize investment in people even when business is not good	Continuous investment in people	 Trust in the Organization	
⑧ Stand up for what's right, even if it's not popular	Focus on society and environment	 Trust in the Organization	
⑨ Encourage people to continuously develop regardless of role	Career growth in multiple paths	 Growth Opportunities	
⑩ Support communities at work and a sense of belonging	Inclusion, diversity, belonging	 Positive Workplace	
⑪ Managers help people tie their contribution to the mission	Mission and purpose beyond financials	 Trust in the Organization	
⑫ Operate under a people-first approach	Continuous investment in people	 Trust in the Organization	
⑬ See diversity, equity, and inclusion as a business priority	Continuous investment in people	 Trust in the Organization	
⑭ Use a clear, values-based management philosophy and model	A focus on management development	 Strong Management	
⑮ Encourage employees to bring their authentic selves to work	Inclusion, diversity, belonging	 Positive Workplace	MODERATE

Source: The Josh Bersin Company, 2021

Continuously Invest in People

Investing in people and operating under a people-first approach even when the business is not doing well means putting people's success before financial gains, thinking long term rather than just to the next quarter, and building a workforce for the future. "I put people before profits in the sense that if I don't have good people, we could not have productivity," said Pehr Gyllenhammar, the former CEO of Volvo. "We could not have our aspirations come true unless we have good people." Because he always put factory workers first, avoiding layoffs even in the toughest times, they trusted him and gave him a 90% approval rating. Unilever, Salesforce, and Microsoft are all known to have a people-first culture—driven from the top.

Empower People to Stand Up for What's Right

When companies don't just pay lip service to supporting ethical behavior and standing up for doing what's right, when leaders model this approach, and when rewards and recognition are aligned with this, people feel empowered to behave the same way. This psychological safety and environment of trust results in more innovation, a better customer experience, and better financial performance. Our research shows companies who take this approach are 4.7 times more likely to delight customers and 6.9 times more likely to create a sense of belonging among employees.

Make Inclusion, Diversity, and Belonging a Priority

When DEI is a business priority, not just an HR program, every person can be their best selves—and do their best. Creating a culture of inclusion is hard work, and it's a journey companies such as Target, Siemens, and TetraPak have been on for years. One thing they know: it needs to come from the top. "Our CEO is personally driving our DEI strategy, with our support," said Kiera Fernandez, Target's chief diversity officer. Constantly listening to employees and acting on results, HR people who are competent in DEI topics, the right measures and metrics, senior leadership commitment, and accountability all play a role.⁴⁴

Traditional Employee Experience Practices Matter but Have Lower Impact

In a highly constrained labor market, it's more important than ever to distinguish yourself from other companies. While many companies focus on traditional drivers of EX—providing great health and wellbeing tools, offering above-average pay and benefits, helping people find roles and work that match their capabilities, and supporting remote work—they don't distinguish outcomes in the same way. Think about these as necessary foundations of employee engagement and productivity. If you want to attract, engage, and retain the best talent and drive financial performance, customer satisfaction, and innovation, these services alone aren't enough (Figure 22).

Tools and support services are important to help people deal with stress and burnout. But it's even more important to rethink workloads and help people avoid burnout altogether.

FIGURE 22

EX Practices with Much Lower Impact

Support Areas	Enabling Organized Practices
Health and wellbeing tools	<ul style="list-style-type: none"> • Physical safety at work • Flexible schedules and job roles • Support to reduce stress and burnout
Total rewards	<ul style="list-style-type: none"> • Above-average pay and personalized benefits • Generous benefits options for physical, mental, and financial wellbeing • Learning opportunities and time to learn
Meaningful work	<ul style="list-style-type: none"> • Prehire assessments to help job match • Staff up with more people to allow for better customer results • Check workload and address overload
Remote work	<ul style="list-style-type: none"> • Tools and resources for remote work • Remote work tool kit and support • Flexibility to work remotely

Traditional EX drivers—wellbeing, rewards, and a suitable job—are important, but alone they don't differentiate outcomes.

Source: The Josh Bersin Company, 2021

Take health and wellbeing. Yes, tools and support services are important to help people deal with stress and burnout. But it's even more important to rethink workloads and help people avoid burnout altogether. "Our employees said they don't need another yoga class after a 60-hour work week—they'd rather not work 60 hours," said an HR executive of a large technology company. Amazon's "wellness chamber"—aimed at reducing worker stress—was mocked because the tech giant has been criticized for working conditions in its facilities. Instead of offering these topics as "benefits" outside of work, focus on integrating them into the work itself. When work itself is healthy, when learning occurs in all work activities, and when workload issues are addressed at the source, people can really be and do their best.

Conclusion and Next Steps

In an ideal world, all companies would push on the six elements, 24 dimensions, and 83 practices and programs in our Irresistible Organization Framework. But prioritizing the six key findings and fifteen practices we've identified delivers a disproportionate impact on employee experience, irrespective of industry, geography, and other factors. So how are leading companies driving EX? The next section shares examples of excellence from some of the world's largest organizations. ■



Examples of Excellence

Companies with superior employee experience also have superior business and innovation outcomes. Learn from leading organizations through these case studies.

Deutsche Telekom: Driving Employee Experience Through Design Thinking

Deutsche Telekom is one of the world's leading integrated telecommunications companies, with more than 226,000 employees in more than 50 countries. Its EX group has three main objectives:

- **To simplify and digitize day-to-day employee experiences**, with a focus on mobile self-service and analytics for continuous improvement;
- **Drive business performance through employee engagement**, including performance development, feedback, and skilling for performance;
- **Enable HR as a transformation driver through analytics-based HR consulting**, wellbeing services, office design, agile and hybrid organizational models, and transformation journey design.

Design thinking is the basis for the completion of all HR projects at Deutsche Telekom. Reza Moussavian, PhD and former senior vice president of HR development, began a design-thinking HR incubator at Deutsche Telekom in 2013. That team has now completed more than 500 projects, transforming everything from how retail employees track their time to how executives view their rewards packages.

Empathy is the heart of design thinking, and projects are driven from development to

implementation by a constant focus on understanding employee needs with the aim of simplifying their experiences. “Design thinking helps us better understand a problem and design a potential solution that is more user-friendly and user-oriented,” Moussavian said. Design thinking for HR is a people-first approach, demonstrating employees are “users” worthy of designing for (Figure 23).

Employee personas form the foundation of the design thinking process, with 21 personas developed from 6,000 job profiles across more than 200 job families. Each persona is represented by a daily work journey and the digital tools required to complete tasks. Here are some examples of initiatives driven by design thinking:

- All Deutsche Telekom employees receive a company-managed smartphone. They can manage most HR needs from an app, including time management, leave management, desk booking, and COVID-19 testing.
- A leadership academy uses specific personas to determine content, including appreciative leadership, servant leadership, agile leadership, and ambidexterity.
- A rewards portal gives executives slider bars allowing them to allocate rewards (such as a car allowance and cash compensation) based on their personal financial and life-stage goals.

FIGURE 23

Design Thinking in an HR Nutshell



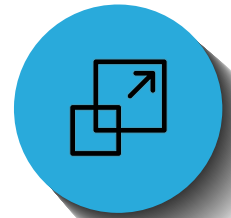
Understand the real problem



Simplify and digitize the status quo



Probe, fail fast, and learn



Scale and integrate

Source: The Josh Bersin Company, 2021

Deutsche Telekom's decadelong journey with design thinking contains several lessons for those considering a similar path.

Mindset changes only with experience. Over time, Moussavian's team found leadership mindsets did not become more employee-centric without the full experience of a design-thinking work cycle. "Give people the experience of the design-thinking workshop, the prototyping, the implementation of the prototype, and then support them in the implementation so that there is a change of observable behavior," he said. "When this happens, then the mindset changes. This can then change the culture of the organization."

Enlist senior leadership support. Design thinking would not have spread from HR throughout the organization without leadership support. By 2018, Moussavian said, "everyone who was redesigning an HR product or process was under pressure from the chief human resources officer when they didn't use design thinking first. They were asked, 'What is the real problem you want to solve? What did you do to understand the user journey? How does this create value for the business?'" Now, every HR project starts with a design-thinking workshop.

Focus on implementation. Design-thinking methodology includes finding a solution that meets

three factors: desirability, viability, and feasibility. "We were overindexing on desirability and underrepresenting feasibility," Moussavian said. "Design thinking itself doesn't solve the problem. It's the first 5% of the work; 95% of work is on the implementation."

Provide resourcing and upskilling for design thinking. As the design-thinking methodology became more widely used, the team realized design sprints needed to include technology prototypes, and employees needed a formal learning hub to grow the skills that support design thinking. The company has an HR tech room and uses agile deployment practices. It also set up the Telekom Design Academy as the nucleus for a user-centric organization culture and now employs more than 200 agile coaches.

Simplifying EX is harder than it sounds. For Deutsche Telekom, bringing a new approach to refining HR processes led to organizationwide change. As the HR team deploys advanced technologies such as gamified skill assessment, AI-based candidate interviews, and neuro-linguistic programming for skill development, it sets the stage for employees to excel at doing the work that matters most: serving customers.

IBM: Driving a Culture of Growth, Holistically

IBM, founded in 1911, is one world's oldest technology companies. It's also one of the world's largest employers, with more than 345,000 employees around the globe. Arvind Krishna, who became CEO in 2020, has declared a clear strategy as a hybrid cloud platform company. The overall company goal of growth translates to the employee experience as “activating a culture of growth,” according to Chris Foltz, vice president of employee and user experience. At IBM, EX sits within an organization called Transformation and Culture, which sits within HR.

Leadership behaviors and purpose were pinpointed as the two primary drivers of culture transformation. “Leaders are culture force multipliers,” Foltz said. To support them in building an atmosphere of trust, his team identified six key attributes of IBM leaders and 12 practices associated with each attribute. “There’s a lot of correlation between the leadership behaviors that create experiences for employees that yield the culture and the outcomes that we want,” he said.

As IBM adapts to the changing technology landscape, it seeks to keep its purpose front and center in employee and leadership communications. “The unique and distinct need that we fulfill to society is a North Star,” Foltz said. “It not only inspires and grounds employees, it also attracts future employees.”

To support employees in their everyday work, IBM takes a comprehensive approach by considering the cumulative impact of physical and digital experiences (Figure 24). “Frictionless and delightful experiences allow people to be unleashed to their full productivity,” Foltz said. “We look at how all those moments come together to define the IBMer’s unique path to value.”

Design thinking is at the center of EX initiatives at IBM, and the team solicits employee input on projects. “Our employees are included in the design of almost every program, policy, procedure, or experience,” said Damon Deaner, partner, employee experience and design, IBM Talent Transformation. For example, employees were selected to participate in an evaluation of health benefits providers, and their input helped craft the messaging campaign for the rollout.

As one of the pioneers of artificial intelligence, IBM also applies AI to EX concerns. One recent example is “Your Career,” which offers employees personalized pathways to internal mobility. When designing projects that include AI, IBM is careful to disclose its use to enhance trust in the organization. “AI has to be used in a transparent, authentic, and ethical way to create these hyper-personalized experiences,” Deaner said.

IBM's omnichannel listening strategy includes quantitative data from surveys and polls (including Net Promoter Scores) and qualitative information from Slack threads and internal blog post comments. The company regularly hosts “Ask Me Anything” sessions with senior leaders, which help inform and prioritize projects.

IBM has a long history with employee crowdsourcing, implementing culture “jams” decades ago. More recently, crowdsourcing helped the company define four key attributes of culture: growth, innovation, inclusion, and feedback. With the focus on tactical programs that deliver on the overall strategic plan, IBM is creating a strong baseline for employees to do their best work. According to Oen Michael Hammonds, IBM design principal, IBMer Experience, “by helping IBMers do their best

FIGURE 24

IBM's Cultural Transformation, with the IBMer at the Center

Leading with **purpose** and **culture** yields powerful and sustainable outcomes.

2x

outperform total shareholder value

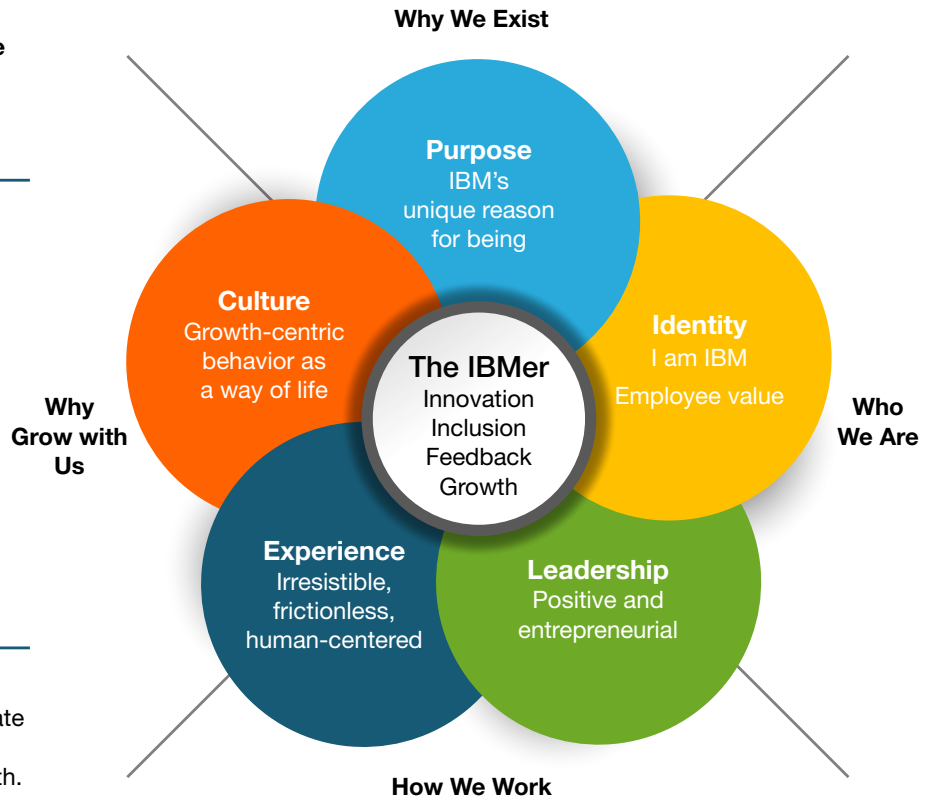
8.1%

less turnover experience

2.25x

productivity delivered

An IBMer-fueled culture will differentiate client experience for sustainable growth.



Source: IBM

and be their best, we're actually driving business outcomes.”

Looking ahead, IBM hopes to initiate a trust index. “It would be great to know if we are delivering experiences that engender trust in a quantifiable way that yield meaningful action,” Foltz said. “We

could then define the observable behaviors that exhibit high trust.” He envisions not only a survey but also a way to determine from their many sensing channels how embedded trust is within employees’ interactions with leadership, managers, and peers.

Kraft Heinz: Operating with Empathy and Care

Kraft Heinz manufactures some of the world's most popular food products and has more than 38,000 employees globally. When CEO Miguel Patricio joined the company in 2019, he brought a passion for transparency. To support his mission, the company defined its new purpose, vision, values, and leadership principles. One of the leadership principles is “operate with empathy and care.”

“We want all people managers to show this behavior,” said Serena Huang, PhD, former global head of people analytics. “Now, we remind each other to be empathetic and to ask what we can do differently to show our team members that we care.”

Kraft Heinz sees this principle as critical to creating an environment of trust and psychological safety, which is essential for innovation. “When you have trust and people are able to speak up, it allows them to experiment, fail, and try again,” Huang said. “It’s hard to be innovative when you don’t have a safe environment to experiment and there’s no trust in the organization.”

The global people analytics team is innovating on several fronts. In keeping with Patricio’s interest in transparency, it began offering additional data to managers that previously was available only to HR business partners. In another initiative, Kraft Heinz conducted a health and wellbeing survey and found some employees had difficulty locating relevant benefits information. The insights led to the creation of a global portal called LiveWell, which serves as a hub for all employee wellbeing information.

Huang’s team supports the EX pillar of the long-term HR strategic road map by focusing on the onboarding and offboarding part of the employee lifecycle. In one of the pilots, the offboarding process was revamped to include a “graduation” memento from Kraft Heinz and a signed card from team members. “We want to say, ‘Thank you for all

you have contributed to the company, and here’s something to remember us by,’” Huang said.

Disparate local activities for both onboarding and offboarding revealed an opportunity to connect standardize survey questions with the employee engagement index—a process that took more than six months across a multitude of stakeholders. Now, new hires receive surveys at seven, 30, and 90 days. “We’ll be able to see how engagement fluctuates as employees are onboarded with the company, and how they feel on the way out,” Huang said.

Analytics is leading the way in D&I at Kraft Heinz. The leadership team monitors inclusion and belonging indicators along with representation metrics. “You can’t just look at representation and know how people are feeling,” Huang said. “Our leadership team cares about both concepts and wants to do well in those metrics while keeping an eye on employee sentiment.” The CEO chairs the global inclusion council, and each region has a D&I leadership team to support the employee resource groups.

One of the challenges of having a workforce segmented across manufacturing and knowledge workers is how to collect survey data for those who do not use a computer at work. In some locations, Kraft Heinz deployed posters containing QR codes linked to surveys to gather employee feedback.

Looking ahead, Kraft Heinz is implementing a new recognition program as an additional way to thank and reward employees on a more continuous basis. Other efforts in EX include analytics to better support people managers new to Kraft Heinz and first-time managers. “We know the immediate manager plays a key role in an employee’s experience at work,” Huang said. With empathy and care at the center, Kraft Heinz will be sure to continue its trajectory of equitable growth.

Microsoft: Daily Polling to Create a Meaningful Employee Experience

Microsoft Corporation, with more than 160,000 employees worldwide, launched daily pulse surveys, alongside other listening systems, to understand employee sentiment toward company leadership and strategy, inclusion, top-of-mind issues both internal and external to Microsoft, and a broad range of topics related to company culture and employee experience.

“We actually took the culture questions out of our annual engagement survey because we’re now looking at them on a much more frequent basis,” said Dawn Klinghoffer, Microsoft’s vice president of HR business insights.

In today’s environment, continuous listening is imperative, but survey fatigue is a reality. While daily pulsing may sound overwhelming, it isn’t when done strategically. At Microsoft, daily pulse surveys are launched to a randomly sampled subset of employees every business day—equating to approximately four opportunities to participate in pulse surveys per employee per year. In such a large corporation, it yields daily insights for the people analytics team and company leadership to understand signals amid the noise.

The survey comprises 25 core questions centered around culture, leadership, and strategy. There are also questions unraveling barriers to productivity, team connections, and work–life balance, helping managers understand employee needs and stay current on the state of inclusion and employee voice.

Rotating open-ended questions allows for analysis of employee comments and an in-depth understanding of what’s top of mind for employees. It also uncovers places where Microsoft can

leverage synergies to elevate experience and wellbeing. For example, the survey includes a standard question asking if there’s anything inside, about, or outside of Microsoft that’s on employees’ minds. This helped the company tremendously when the pandemic struck and as conversations around racial injustice and inequity in the United States gained intensity. It continues to evolve the pulse questions based on areas that surface as top of mind for employees and leaders.

With increasing numbers of employees returning to their shared office space, several questions have been introduced around hybrid working to support the transition to that new reality. “Hybrid work is the biggest shift to the way we work in a generation,” CEO Satya Nadella wrote on LinkedIn on May 21, 2021.⁴⁵

Aggregated insights generated by the daily pulses are combined with insights from Microsoft Viva Insights on productivity and wellbeing. “The insights are used to inform actions, programs, and strategies by leadership, managers, and HR. Employee experience is not one-size-fits-all,” Klinghoffer said. “Every employee is different, their work patterns are different, and we need to tailor the experience for their needs.”

The tech giant is driven by its mission to empower every person and organization on the planet to achieve more⁴⁶ and, as the not-so-secret sauce of its business success, Microsoft invests heavily in its greatest asset—people—to create a meaningful experience every day.

Unilever: Creating the Future of Work by Making Every Day Simple

Unilever is a London-based global manufacturer of some of the world's most popular personal care, food, and home care brands. It has more than 149,000 employees in more than 100 countries.

The Unilever Employee Experience team, led by Tom Dewaele, global head of employee experience, sees itself as “experience makers.” “For our employees, we want to make every day simple and special days special,” he said. Because employees interact across the digital, physical, and human experiences, his role sits between the chief human resources officer and chief enterprise technology officer. “By investing in consumer-grade digital experiences, we have greater capacity to invest in the human touch for those experiences that cannot only be digital,” he said.

With a focus on creating the workplace of the future, Dewaele's team is bringing together previously siloed functions to improve EX. For example, until mid-2020, the company had more than a dozen different help desks to provide employee support across finance, workplace, IT, and HR—and analysis revealed 20% of tickets were for people contacting the wrong help desk. Now, with one consolidated digital chat-based help desk, it's a one-stop shop. “That never would have been possible if we had stayed in our functional silos,” Dewaele said.

Much work at Unilever takes place in Microsoft Teams, and the company is an early adopter of Microsoft Viva, Microsoft's EX platform. Data from Microsoft Viva Insights (formerly Microsoft Workplace Analytics) is being used in conjunction with employee sentiment data gathered through Qualtrics and other surveys. To grow into the future of work—including remote and hybrid workspaces—Unilever plans to customize the look and feel of Microsoft Teams for an EX that's unique. “We want to keep our people feeling connected to Unilever,

feeling that they belong, and feeling the same experience despite fostering a hybrid working model,” Dewaele said. In addition, SharePoint integration with Teams will allow Unilever to feature content supporting its initiatives on important topics such as wellbeing and diversity and inclusion.

To make rewards and recognition fairer and more equitable, Unilever developed its own rewards system and spinoff company, called uFlexReward. The system allows employees to view their salary information and short- and long-term incentives in one place along with a full catalog of available benefits. They can also personalize the experience based on their own financial goals or personal milestones. On the back end, uFlexReward enables Unilever to monitor pay equity across demographics in real time, model reward packages, and project future business costs across countries. As a result, Unilever is leading the way in gender pay equity in the United Kingdom.

To strengthen the EX function, an ongoing concern is upskilling staff to develop and implement high-value EXs at scale. “It's a big mindset shift,” Dewaele said. “We have a lot of people who are process- and delivery-focused. To scale, we need people to be more consumer- and experience-focused.” The company developed a new role called “people experience lead” and is investigating an EX certification to upskill current employees.

Unilever's overall approach to creating the digital and physical workplaces of the future is guided by empathy. “We aim to find that sweet spot between personal flexibility, team collaboration, and company performance,” Dewaele said. By consolidating functions, delivering a more consistent experience, providing personalized access to reward data, and making it fair and equitable, Unilever is showing employees that it cares—while supporting their productivity. ■



5

Getting Started

There are significant advantages in advancing your EX maturity. We explain how and detail the HR capabilities required to underpin employee experience excellence.

Is it really important to improve your EX maturity? After all, it's a long, hard journey working on cultural and leadership topics, HR programs, and supporting technologies across the spectrum of a company. Moving from one level to the next is a lot of work and often takes years. But it's worth the effort, given the value in moving up: business, people, and innovation outcomes all improve as organizations mature.

Outcomes increase most significantly at different transition points (Figure 25). For instance, business outcomes (financial performance and customer satisfaction) improve most with a collectivist, collaborative, and supportive approach introduced at Level 2 because people work together better to deliver great customer service and accomplish goals. At Level 3, people outcomes (engagement and retention, perception as a great place to work, and a sense of belonging) all improve most because the sense of purpose inspires people to do their best. When people can grow in an equitable way and learn from mistakes, innovation outcomes (change adaptability and effective innovation) are much better—making the progress sustainable.

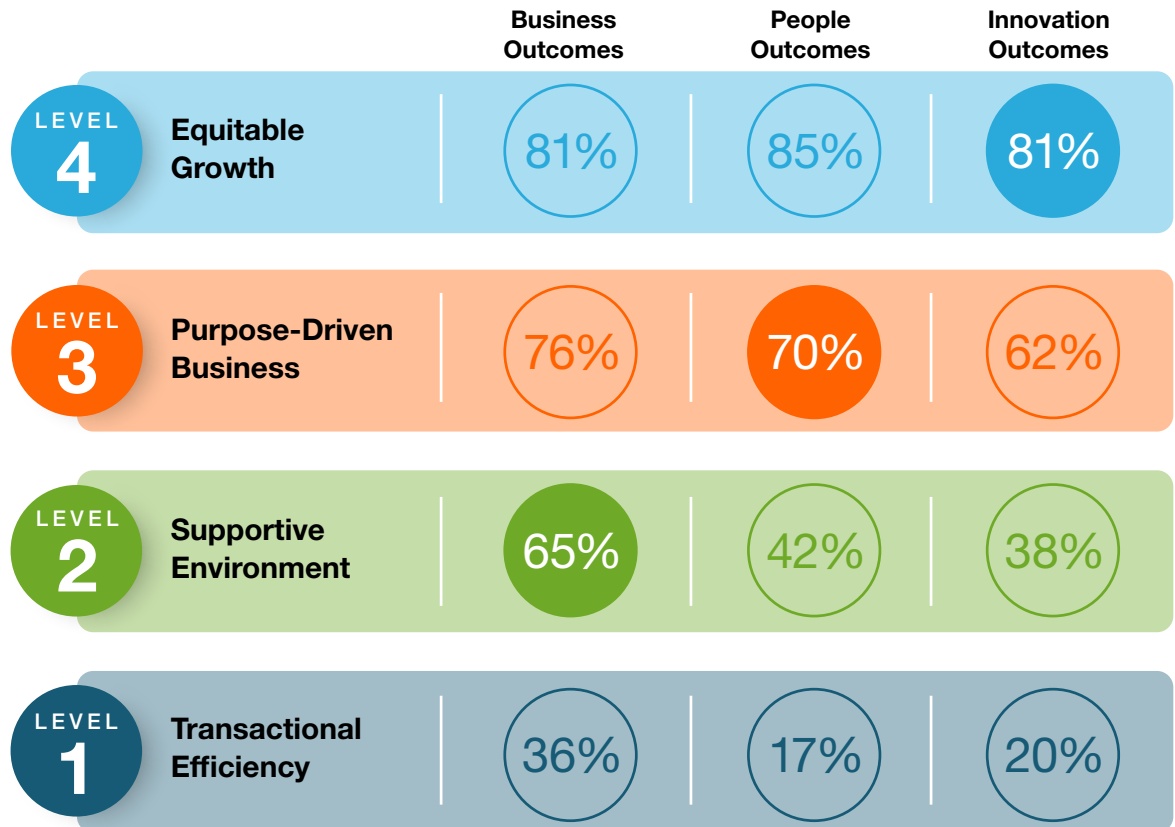
Key Insights

- While it's a long, hard journey working on cultural and leadership topics, HR programs, and supporting technologies, there are significant advantages to advancing in EX maturity.
- EX maturity requires action by senior leaders as well as HR leaders, but it's worth the effort: business, people, and innovation outcomes all improve as organizations mature.
- EX maturity also requires building HR capabilities across the board and for all HR roles, from consulting skills to the ability to design programs, product management, technology capabilities, data savviness, and more.

FIGURE 25

The More Mature, the Better the Outcomes

Highlight indicates the biggest increase from level to level



Source: The Josh Bersin Company, 2021

Excellence Across Industry, Geography, and Size

Before detailing how to approach improving your EX maturity, here's some insight on how maturity manifests across different demographics. Of the big three we examine—industry, geography, and organizational size—we see the biggest differentiator in industry:

Industry. Innovation-dependent industries such as life sciences, financial services, and technology fare much better in empowering equitable growth—a hallmark of Level 4 companies, and the level most associated with innovation. Conversely, industries such as government, healthcare, education, and energy and resources—which are often unionized and focused on compliance, avoiding risk, and mitigating safety issues—are much more likely to have a large percentage of companies stuck in the transactional efficiency Level 1. It's important to note these are general insights: there are companies of all levels in each

industry, and even though it might be harder to focus on people and allow them to do their best and be their best in risk-averse industries, it's still possible—and worthwhile.

Geography. When comparing different geographies and their employee experience performance, Europe, the Middle East, and Asia is more successful than the Americas and Asia-Pacific and China—and has the largest percentage of Level 4 companies. That makes sense: it's much harder to let people go in Europe, which pushes companies to work harder at making EX work, finding people the right roles, and creating an environment in which people can succeed. Unlike in the United States, where companies can (and do) easily dismiss employees who don't work out to try to find a better fit, European companies are incentivized to try to make it work. European cultures also tend to be less

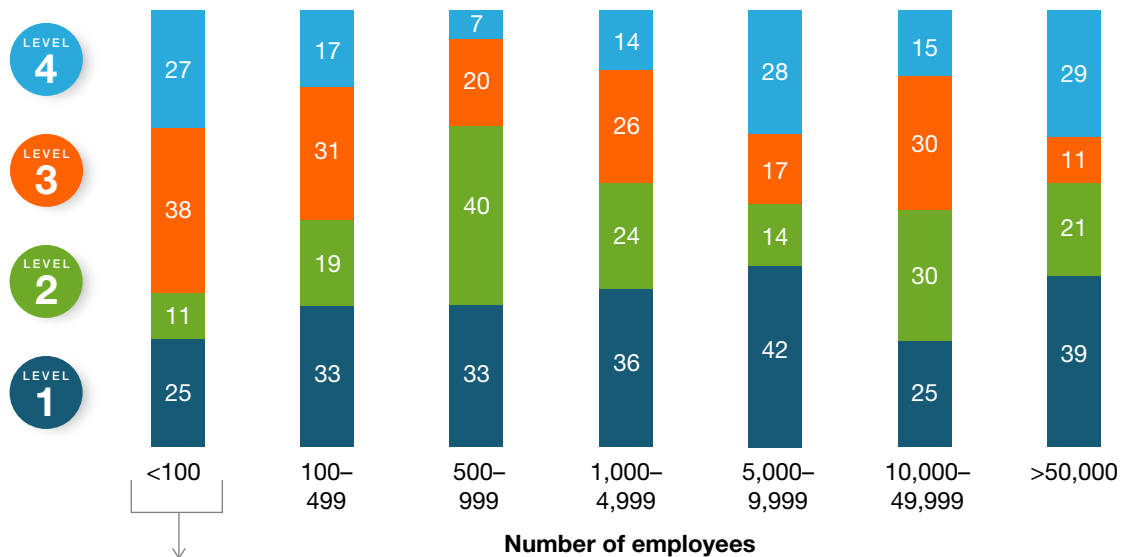
individualistic and more collectivistic, resulting in a more supportive environment, which in turn creates better outcomes. Finally, European countries such as Germany and Spain have a much smaller gap between the earnings of CEOs and average workers. While the average CEO in the United States makes \$265 for every dollar an average worker makes,⁴⁷ that number in Germany is \$136—still high, but close to half of the gap in the United States. This matters because trust in the organization is dependent on fair and equitable pay, and a huge pay gap does not inspire that trust.

Organization size. EX excellence varies widely between organizations of different sizes. Companies with fewer than 100 employees or with more than 50,000 are about four times more likely to be excellent in EX, compared with those of 500-999 employees (Figure 26).

FIGURE 26

EX Excellence by Size of Organization

% of companies



The smallest organizations tend to fare better—because connection and trust with senior leaders is easier.

Source: The Josh Bersin Company, 2021

How to Advance in EX Maturity

You might wonder which maturity level your organization currently is at. In order to advance, it's important to understand what the most important actions are to move up in effectiveness—and how to build them out in your organization.

Smaller companies do much better because connecting with and trusting senior leaders you know personally is easier: the mission and vision doesn't get lost in various groups and departments if everybody has a direct impact on the company outcomes, and every person's work really counts.

Even without big technology investments, these companies can easily connect with people daily and establish a feeling of community and belonging. Similarly, very large companies—those with more than 50,000 employees—also do well because they have a lot of resources to dedicate to designing and developing a great experience. Midsize companies are the ones that don't thrive and risk being left behind, trying to work their way through more complex processes to a better employee experience. Those companies often need technology the most to help manage the increasing distance from the top, but they may not have caught up with the reality that they can no longer manage things with sticky notes and tape.

Only 3% of Level I companies prioritize people investments such as work technologies, upskilling, supporting internal mobility, employee health and wellbeing, or improving culture and leadership.

Moving from Level 1 to Level 2: Power a Culture of Helping Others

Organizations at Level 1 see their relationship with employees as a transactional exchange of work and payment. Workers are viewed as a cost line, easily replaceable, and not a source of competitive advantage. That means when the business is not doing well, investments in people are cut, resulting in a vicious cycle of cost-cutting, weaker customer service, and worse products and offerings—which causes customers to look for other providers. Financial performance deteriorates, and the company has to cut even more.

Only 3% of Level 1 companies prioritize people investments such as work technologies, upskilling, supporting internal mobility, employee health and wellbeing, or improving culture and leadership. Moving to the next level requires a fundamental mindset shift—treating people as a source of competitive advantage, not just a cost factor to minimize. That’s why Level 2 companies are 13 times more likely to invest in people even when the business is not doing well.

Taking care of employees takes many forms, from removing small workday nuisances to using design thinking for all people programs. Deutsche Telekom started with a single design-thinking project and now has more than 600, and it designs everything together with its employees, from onboarding to leadership development and executive compensation.

	What leaders can do	What HR can do
Review your behavioral expectations for all people, and embed integrity and helping others into them	<p>Define what integrity means in your business, and communicate it frequently and broadly in town halls, one-on-ones, and other business meetings. Set expectations and goals for supporting others within direct work teams and cross-functionally.</p> <p>Microsoft embeds a focus on integrity in all leadership communications, starting from CEO Satya Nadella.</p> <p>Dell has been rated as one of the most ethical companies for nine years in a row, and when it looks at using AI on teams, it adopts an ethics lens, asking: “Just because we can, should we?”</p>	<p>Review leadership development programs, learning opportunities, and performance-management approaches to highlight the importance of integrity. Revise your performance-management program to focus on team accomplishments and embed a “personal best” mindset, rather than a competitive approach.</p> <p>The Indian Hotels Company reimaged its performance-management approach from an intense rating competition to a team-based model aimed at creating the best customer experience, regardless of where people worked.</p>
Embed the mission and vision as an integral part of everyday work, not just words on a page	<p>Frame every interaction around the mission and vision of the company. Even if it may seem obvious, repeat the mission and vision and how the work of your organization contributes to accomplishing it. That can be the overall mission of the company—but also the mission of the project or initiative you are leading.</p> <p>GE Healthcare made a massive Human Capital Management implementation fun and engaging by always repeating the “elevator speech” and the mission of the project in every meeting.</p>	<p>Incorporate the company mission and vision—and your values—into all programs, framing leadership development, learning offerings, and your performance management program.</p> <p>McKesson uses its business strategy to frame its performance-management goals, and its “icare” values to drive behavioral expectations, with a recognition program for living its values.</p>

	What leaders can do	What HR can do
Review all business decisions from a people-first lens	<p>Identify with your leadership team what “people first” means for your business. Listen to your employees to understand what works for them and what barriers they face.</p> <p>Target trains its senior leaders in listening sessions with specific facilitation guides to help them be better listeners—which in turn helps them understand what their teams really need to thrive.</p>	<p>Work with your business leaders to support their business decisions—business strategy, workforce planning, technology decisions, location strategies—and bring in data and insights about the workforce to inform those decisions with a people lens.</p> <p>LEGO uses its leadership values for all business decisions, always asking how a decision aligns with three principles developed by employees around the company.</p>
Define the business strategy with a focus on people, and embed this into prioritizing investments	<p>Identify your prioritization criteria for business decisions—where do people factor in? Where can you simplify processes or make technology more useful? How can you help people do great work?</p> <p>Walmart is rolling out close to one million smartphones to frontline workers and an app to manage all work and corporate services tasks. This massive investment has a great ROI because it allows employees to work much more efficiently—checking inventory, ordering for customers, and taking care of life and work support on one device.</p>	<p>Review work, HR, and other support processes with the EX in mind. Where can you personalize for different users to help them get work done better? How can you involve employees as the customer of these processes?</p> <p>Deutsche Telekom uses design thinking as a standard practice for all work, HR, and other support process design. This means the employee is involved end to end in the design and implementation of solutions.</p> <p>IBM did A/B testing of benefits communication with its employees to identify the right messaging and format.</p>
Help people stand up for what’s right, even if it’s not popular	<p>Tell stories and showcase examples of when it was the right thing to stand up for something, even if it was hard or unpopular. Recognize people for asking hard questions and speaking their truth.</p> <p>When Alan Mulally was Ford’s CEO, he encouraged a culture where people could voice problems and concerns—when they were once punished for bearing “bad news.” When a business leader was the first to turn a previous “green” status to “red”—admitting help was needed—Mulally rewarded that person for their courage and candor.</p>	<p>Help employees and managers identify what “right” means for the company—aligned to the values of the organization. Think about it not from a “policy” perspective but from a “values alignment” view. Hybrid work is a great opportunity for practicing this.</p> <p>SAP uses a leadership trust index that tells every people leader the level of trust their people have in them, based on employee surveys. Using actual digital behaviors observed by Cultivate, it gives leaders specific improvement suggestions tied to learning opportunities from LinkedIn Learning and Harvard Business Review articles.</p>
Focus technology investments on privacy, great communication, and work tools to create a supportive environment	<p>Work with IT leadership to determine risks in data privacy and security, and identify the company guidelines for these. Hybrid work accentuates this because you need to account for both digital and “analog” methods of data collections (think both cybersecurity and shredders).</p> <p>Microsoft takes a stricter view on data privacy and security than legally required and works with all vendors and partners to ensure these rules are followed for all of its employee processes.</p>	<p>Formally assign a role to integrate with IT for all employee technology investments, with enough seniority to infuse these decisions with an employee perspective.</p> <p>Unilever’s Tom Dewaele, global head of employee experience, sits on both the HR leadership team and the IT leadership team to bring the two groups together with the purpose of empowering employees to do and be their best. “We are experience makers, making the daily moments simple and the big moments special,” Dewaele said.</p>

Moving from Level 2 to Level 3: Empower Leaders to Drive the Mission

Level 2 companies have a supportive environment down. They encourage people to help each other and stand up for what's right. But to fully capitalize on the mission, leaders also need to be on board—conceptually and operationally—and translate the mission and strategy into actionable steps for employees.

About 11% of Level 2 companies enable managers to help their teams tie individual contributions to the broader mission and vision, compared with 50% of Level 3 companies. This is important because when people see the impact of their work on what the company accomplishes for

customers and society, they perform better and are happier and more engaged. When the CEO of tech company Blackbird switched his focus in town hall meetings from merely communicating financial results to also talking about mission and purpose—and his leadership team did the same—its performance, employee engagement, and customer satisfaction all went through the roof. People really care about making an impact.

Values play a role too: companies that develop a clear, values-driven leadership model are 6.1 times more likely to have high engagement and retention. LEGO's leadership behavior framework was developed by an intentionally diverse set of employees, not senior leadership, and is all about bringing the company's mission and values to life.

	What leaders can do	What HR can do
Help leaders communicate openly, transparently, and honestly	<p>Review your own communications first. How much do you share? Where can you increase transparency? Do you share bad news too, or cover it up?</p> <p>Adobe's new CEO focuses heavily on transparency, and tasks each department and team to identify what transparency means for them. This resulted in the people analytics team sharing many more insights much more broadly.</p>	<p>You may see transparency of people decisions as risky. If we tell people that money is tight, will they be worried about their job? If we communicate that we need to downsize, will we lose the best people? Study after study shows transparency and honesty is the best approach, because people can help solve problems in new ways.</p> <p>SAP empowers employees to organize job sharing on their own: if somebody wants to only work part time, they can find another person to share their job within a marketplace. Rather than imposing inflexible top-down rules, this empowerment helps SAP bring back women into the workplace who might have opted out during the pandemic because of increased childcare requirements.</p>

	What leaders can do	What HR can do
Establish a clear, values-driven management model and develop capabilities to lead well	<p>Determine the role of leaders and managers in your company. What does success look like? How do you know if leaders are successful? How do you measure and hold people accountable for living the values?</p> <p>LEGO's leadership framework is simple and engaging, with three key principles driven from its mission to "inspire the builders of tomorrow." While the senior leadership team charged a working group with developing and rolling it out, it did not mandate what the model should look like. Instead, it empowered people across the company to design and iterate it—using the company's builder's mindset.</p>	<p>Put together a SWAT team to review all HR programs—from attraction and selection to hiring and onboarding, learning and leadership development programs, performance management, and rewards and recognition—for alignment with values and leadership capabilities, and adjust them to operationalize these values.</p> <p>Sanofi lets employees rate their manager and decide which project to work on via an internal gig work marketplace—and the rating of the leader plays a big role in that decision. Managers compete in a positive way to become better leaders and get the best talent to work with them. And the company gives them development needed to get better in their priority areas.</p>
Help people develop continuously, regardless of their role	<p>Think of your best people. Do you want to hold on to them? Or do you help them find different opportunities, outside your team, to support their career priorities?</p> <p>Schneider Electric changed the notion of "talent management" around when it gave employees access to an open talent marketplace where anybody can bid for a job, a role, a project, or a mentoring opportunity.</p>	<p>When you think about the "reskilling" challenge and rebalancing workforce segments from one area to another, don't try to solve it in HR alone. Once you give employees clear direction about which capabilities they will need for the future, they will drive towards those areas—because nobody wants to be in a dead-end job.</p> <p>During the pandemic, Sutter Health quickly redeployed thousands of nurses from areas of lower need to those in highest demand, and developed telehealth capabilities in record speed. Those capabilities continue to be invaluable for patient satisfaction and great care outcomes.</p>
Bring great support tools and processes in the flow of work	<p>Identify where your team members struggle in work and support processes, and collaborate with all support functions (for example, IT, HR, Finance, Procurement, Facilities) to remove that friction.</p> <p>Adobe uses its support systems for internal customers to help employees to resolve issues quickly and seamlessly.</p>	<p>Establish a team that focuses on removing friction from the employee work day, reviewing support tickets to identify trends and resolve issues. Use chatbots and AI to route support tickets to the right area and answer most questions immediately.</p> <p>Unilever consolidated eight different employee call centers into one chatbot-enabled support system after it found 20% of calls were simply people dialing the wrong number.</p>

Moving from Level 3 to Level 4: Enable Everybody to Grow

Companies at Level 3 of EX maturity approach it comprehensively. They remove obstacles to productivity, simplify processes, provide useful tools, and have strong managers who help people do their best. But these companies miss an important element in capitalizing on the innovation and adaptability that leads to sustainable competitive advantage: enabling every person to grow, develop, and not just do their best but be their best. We call this level “equitable growth” because it’s about diversity, equity, fairness, inclusion, and authenticity.

When companies acknowledge the need of every person to be part of a community at work, to feel like they belong, to help them be “who they really are” as a person, enable them to grow and develop, and reward and recognize them in a fair and equitable way (in addition to all other components of EX, from digital enablement, simple and swift support interactions, memorable “big moments,” great managers, and trusted leaders), then they really capture not just the hands and heads of employees but also their hearts. That’s how great things happen.

While just about every other Level 3 company enables employees to build communities at work, almost every single Level 4 company does so.

And while these companies have much higher employee engagement and retention, they also perform much better financially, have more satisfied customers, and are innovating much more. The impact on innovation is very strong: 51% of Level 3 companies innovate well, compared with 75% of Level 4 organizations.

When inclusion and equity is part of your business strategy, not just your values, innovation gets a boost. Powered by a growth mindset and a firm belief in inclusion, Microsoft democratized innovation with a weeklong Innovation Hackathon where employees from all jobs and at all levels—not just engineers—addressed challenges posed by the leadership team. One group developed a “hack” for cross-functional job moves, and HR implemented it to increase talent mobility. In 2020, the Innovation Hackathon went virtual—and 70,000 people participated. To build a sense of community before the virtual hackathon, people participated in Spirit Week, where they got to know each other personally, such as by sharing favorite music or introducing family or friends. Not only did this event result in 4,000 projects, but it was also an amazing experience for employees. Microsoft has decided to continue these in hybrid format, incorporating what it learned from the remote version into a new approach that combines the inclusion of many more people with building a community in person.

	What leaders can do	What HR can do
Review all interactions an employee has with the company for fairness and equity	<p>Think about your own interactions with your team members—how equitable are they? Do you give more “airtime” to some people? How does “proximity” play a role?</p> <p>PwC empowers all employees in its UK tax practice to get insights on equity of their digital behavior, using Cultivate to democratize coaching with AI. “The AI coach tells you if you are communicating more with some people on your team,” said Chris Murray, partner and CIO for the UK Tax practice. “That’s really important because while you may not notice, your team members will take stock of your interactions.”</p>	<p>Use employee listening to identify inequities in the employee life cycle. Do new hires feel part of the team just as much as seasoned employees? Do remote employees get the same learning opportunities as those working onsite? Next, involve employees in developing solutions and removing barriers.</p> <p>Hilton uses various ERGs to test out different solutions to see what works for them. TetraPak’s council identifies issues and designs solutions that get in the way of inclusion and equity.</p>
Empower employees to be their authentic selves	<p>Model authenticity in your communication and engagements with employees, giving them insights into the person behind the leader and showing them you care about them as people, not just workers.</p> <p>The CEO of a large healthcare organization started weekly video messages at the beginning of the pandemic, talking about the business and his personal life. These videos were not professionally produced but showed the CEO in a casual environment at home. Employees responded extremely well and submitted their own video messages in response as the CEO suggested it. The feedback they got from the CEO and others was extremely well received.</p>	<p>Build authenticity into learning and leadership development programs, helping people understand what authenticity is and how to encourage people to be their authentic selves. Authenticity is the other side of the coin for psychological safety. Only when people don’t need to cover and can bring their real self to work can innovation and change adaptability thrive.</p> <p>Truckstops.com’s CHRO, Victoria Roberts, doubled down on relationships, learning to be yourself, authenticity, empathy (for customers and the team), and internal collaboration—and the company’s employee engagement jumped to 90% from 61% in two years.</p>
Audit rewards and recognition programs to make them fair and equitable	<p>Consider your own rewards and recognition practices with an equity lens. Do you see inequities between different groups? If so, how can you counter them?</p> <p>Salesforce CEO Mark Benioff committed to pay equity in 2015 and has since spent millions of dollars to get pay equity right. It’s not just a one-time initiative—Benioff audits pay practices continuously, and works on mitigating biases against women in performance management and compensation processes.</p>	<p>Put practices and processes in place to not just remove inequities after decisions have already been made but also to prevent bias and unfairness from creeping in. Leverage “bias disruptor” in performance management to ask the right questions and determine the cause for specific decisions.</p> <p>Unilever CHRO Leena Nair was looking for a better, more real-time way to manage compensation. A startup compensation tool, uFlexReward, allows HR to monitor pay equity across demographics in real-time, model reward packages, and project future business costs across countries. As a result, Unilever is leading the way in gender pay equity in the UK</p> <p>Adobe also doubled down on gender pay equity, including a job architecture project and continuous monitoring of pay equity—and achieved gender pay equity in 2018. The tech company also publicly reports on its pay equity approach.</p>

	What leaders can do	What HR can do
<p>Turbocharge experiences with people analytics, knowledge management, and advanced learning tools</p>	<p>Look for people analytics to inform all business decisions. Any decision—about products, customers, markets, investments or other priorities—always involves employees. Do you have the right capabilities to create a new product. Maybe your customers are not satisfied because employees are overworked or misaligned? And what are employees thinking about a new office location?</p> <p>The pandemic catapulted people analytics into one of the highest-priority analytics areas. Whether it's health data, location strategies, or reskilling initiatives, you can't accomplish them without insights about your people.</p>	<p>People analytics has grown up as a field over the past few years. Organizational network analysis, natural language processing, and AI are all part of the standard repertoire of analytics teams, and companies such as Capital One and Facebook have massive teams of around 100 people working on getting insights to HR, leaders, managers, and employees. If you still report only on HR metrics, it's past time to step up the game here.</p> <p>The next generation of knowledge-management tools is no longer an electronic filing cabinet—they tap into the vast pool of implicit knowledge and bring it directly to employees. For example, salespeople can get insights about new product features, and software developers learn about test procedures and more.</p> <p>With constantly changing skills and capability requirements, it's no surprise that advanced learning tools are vitally important to business success.</p>

Operations: The Role of HR and the Employee Experience Team

Employee experience is a C-suite priority for most companies and, although no single department can be accountable for creating a great experience, HR should take the lead in bringing together different groups across the company. For this to happen, HR has to reprioritize who its ultimate customer is. Legacy mindsets of “protecting the company against legal risk” have to be replaced by trusting employees to do the right thing. Trust in the organization is the most important driver of outcomes—but it’s a two-way street. Trust isn’t possible when policies and procedures are set to control little decisions, when micromanagers try to govern every activity, and when leaders believe employees will take advantage of autonomy.

Hybrid work is a great example of mutual trust—or mutual distrust. GM CEO Mary Barra told people to “work appropriately,” a play off its “dress appropriately” mandate that cut the company’s 15-page dress manual down to two sentences. Barra allows employees to decide what work scenarios are most conducive to their circumstances while they define a new reality of hybrid work.

Listening is key in defining a great experience. So are personas and journey maps, design thinking, and co-designing with employees. As we’ve mentioned, Deutsche Telekom began with one design-thinking project in 2012 and now has more than 600—and not just for technology decisions but also things such as executive compensation choices. IBM tests benefits communications with employees to ensure they hit the mark.

Although EX and customer experience are not the same—EX is a much deeper commitment to the company—they are connected. At Target,

team members are also regarded as “guests” so the guest perspective is always leveraged in EX. The EX team prioritizes listening to people across persona groups because the experience of a store employee is significantly different from that of a software engineer designing the online shopping experience. Walmart acknowledges the importance of frontline employees to the customer experience; it plans to supply every employee with a company phone to manage queries and customer support in real time, at any time.

To drive excellent EX, HR needs to work across the enterprise with different groups. “Our guests expect a great end-to-end experience—from the moment they check in, over the service in the restaurant, to advice and support from the concierge,” said Dr. P.V. Ramana Murthy, chief human resources officer of the Indian Hotels Company, which owns luxury hotel brand Taj Hotels. “It has to be the same for our employees—no matter if they have an issue with their time-off approval, or if they are looking to find a new job opportunity.” Unilever consolidated eight employee call centers into one because 20% of calls were from people who called the wrong number. Tom Dewaele, its vice president of employee experience, sits on both the IT and the HR leadership teams, looking out for EX.

Appoint an EX Point Person

The first step for HR is to have somebody to formally look out for EX. This may be your people analytics leader, your head of HR services, your digital HR leader—or maybe it sits in talent management. It’s less important who the leader and team report to and more important how they operate.

In an agile design model, resources within HR get assigned to “customer problems,” with participation from different functional areas. Based on insights from your listening channels, a team

will come together to design a new experience—and collaborate with IT, finance, legal, facilities, operations, and other groups to bring these experiences to employees.

Rather than operating in static centers of excellence and functional groups, teams come

together quickly, identify the problem, co-design with employees to develop solutions, work with IT to find technology, implement it, and then bring these solutions into ongoing operation—which means it will be continuously improved based on feedback from employees.

Building HR Capabilities

For this new model to work, HR also needs new capabilities. Consulting skills, the ability to design programs, product management, technology capabilities, data savviness, and more are all part of this.

As we described in key finding six, building HR capabilities across the board and for all HR roles—not just for the EX team—is vital. It also results in better business outcomes and a more diverse and inclusive workforce and environment. On-the-ground research from companies correlating HR capabilities with results from their employee surveys reinforces it: when HR people are highly skilled in an area such as rewards and recognition, employee engagement and satisfaction in that area is much higher. This makes sense because HR plays a critical role in creating the programs, approaches, and tools to enable leaders, managers, and employees to execute. Similarly, when HR capabilities are low in a specific business group or division, turnover is higher and it's harder to attract and engage needed talent.

The first step is to identify areas of strengths and opportunities in your HR organization. Do you have good coverage in all capability areas, or are you lacking? One company identified gaps in change-management capabilities, for example, even for HR professionals in the organization-development group. Meanwhile, helping people adapt to change has become vital because of the various

disruptions of the pandemic, changing business models, and digital transformation (to name but a few). You can create a heat map of HR capabilities to identify where to focus.

Next, work on increasing HR capabilities through project assignments, training, mentoring, knowledge sharing, discussion groups, and access to research and tools. For example, we provide capability accelerators in the Josh Bersin Academy—learning journeys that guide people through assignments, content, resources, and other development opportunities to strengthen HR capabilities and build the skills needed to create a great EX.

“The biggest issue we have in creating a great employee experience is that most people on my team are not designers,” said the EX leader of a large global consumer company. “They are HR operations people, and now we are asking them to design solutions using design thinking. It’s a different skill set—and we need to up-level them to be successful.” The company is now building a design-thinking academy and certification program for the hundreds of people who need to move into new roles.

Building HR capabilities is not a quick fix or easy to do, but it’s absolutely necessary to both build and sustain a great EX.

Operationalize the EX Team

As we talked with dozens of EX leaders and teams, we discovered several best practices:

1. Create a cross-functional team

First, it's clear from our research that EX cannot be "owned" by HR. While many companies start that way, ultimately this is a problem that includes management and culture, rewards, job design, growth and career, plus facilities, IT, legal and work policies, and health and safety. We strongly advise EX leaders convene this team and start prioritizing which parts of the puzzle to focus on first.

2. Prepare for a multiyear effort

In many ways EX is a new business strategy, not something you "do" in a year. As you develop your EX team and road map, you should remember each year you'll focus on new and different things. In many ways this is a CEO-driven agenda, designed to make sure the company is innovative, productive, and profitable. So don't try everything a once—give yourself time to hit the highest priority things first.

3. Create personas based on role, tenure, or level

There is no single EX solution for every employee. For example, the U.S. workforce is 70% "deskless workers"—people in retail, manufacturing, healthcare, transportation, or other non-desk jobs. People are also in different roles, countries, and job levels. Rather than try to give everyone what they want, it's important to have a segmentation strategy. Bank of America's consumer business studied employee turnover in great detail and finally decided the most effective way to segment its workforce was by tenure: new joiners (first two years); growing managers (people moving to new, higher-level jobs); senior leaders (people in high-impact leadership roles); family stages (people having kids or family changes); retirees (people

getting ready to retire); and alumni (people who have left but are still affiliated). Deutsche Telekom segmented its workforce into categories defined by a functional role. And a large manufacturer segments its workforce by "leadership, management, and labor." While this may sound old-fashioned, it works for the company. It's up to you to define these segments so you don't spend endless hours debating who needs what.

4. Set up a "design center" and focus on design skills

Once you set this program in place, you now have to "design" the solutions you want. This design process uses design thinking (user empathy, journey mapping, and stakeholder interviews). If you're not familiar with design thinking, the Josh Bersin Academy can help, and other educational materials are available. You should create a co-design process so you design solutions with the business, and implement solutions in stages so you can iterate over time.

5. Integrate the employee voice program into one center of excellence

Research shows a critical part of EX is listening. Yet most companies have surveys and engagement data floating all over the place. It's vital to centralize and consolidate an employee voice program and then implement a process of "continuous response" to these issues.⁴⁸ You will want to create Net Promoter Scores or other indexes so you can identify EX problems faster. You also need some form of open feedback mechanism because employees will have suggestions, feedback, and all sorts of comments about everything you do. Most big vendors have feedback tools with natural language processing to help you do this efficiently. All these listening tools and systems should be in a center of excellence. Finally, make sure your people analytics team is involved. It will often monitor or analyze the data you collect, so its systems and expertise should be part of the design.

6. Transform service delivery so you can send problems to the right place

Because EX is all about making employees' lives easier, you need to integrate your design strategy with your service-delivery strategy. This means making sure employee help desks, the IT help desk, and other services are included in the EX program. Many companies explicitly send different types of cases to different groups, and others have a global business services team that triage employee requests. This area alone is often a major effort, but you have to consider it in the EX strategy and your long-term journey. Remember also that self-service and automation are critical. Employees would rather just “do their work” than call for help—so the more self-service you design and implement, the better.

7. Clearly communicate your EX strategy to everyone

Finally, remember high-quality EX is dependent on meeting employee expectations. If employees expect the IT department to answer within 24 hours, tell them. If it's going to take a week, tell them that. This goes for every part of your design: don't “oversell” what you're doing for employees, but make it clear so people know what the company is trying to do and the policies and standards are clear.

Conclusion

When you think about EX, what comes to mind? Technologies, digital, “moments that matter”? Making things easier for employees? Line-manager relationships? Engagement? Health and wellbeing? It's an incredibly complex topic, and we studied a lot of practices.


Over the past few years, EX has evolved from a niche topic that some forward-thinking chief human resources officers worked on to a much-discussed C-suite priority. CEOs from Microsoft's Satya Nadella to Unilever's Alan Jope to GM's Mary Barra agree: you can't have great business results without an excellent employee experience. The pandemic only accelerated the trend to view all things HR (and much more) through an EX lens. Similarly, tech vendors from recruiting systems to learning tools to performance management tech, communication, collaboration, and listening tools all now go to market as “employee experience tech.”

We learned that while technology plays an important role in creating an irresistible experience, topics of trust, transparency, culture, and inclusion are more important. How much are you investing in these topics? Who is even focusing on them? How do you measure success?


FIGURE 27

Business- vs. Human-Centered Leadership

Business-Centered	Human-Centered
Lead the business People coming along for the ride	Lead the people They drive the business forward
Goals, rewards, incentives, and alignment	Inspiration, skills, empowerment, relationships
Drive innovation with execution, innovation in a silo	Execution demands innovation every day
Focus on growth and change	Learn from problems to evolve organization
Proud, confident, knowledgeable, decisive	Humble, empathetic, listener, growth mindset
Focused on the inside, managing the company	Focused on outside, listening to customers, market
Pick favorites, rely on trusted confidants to succeed	Look for diverse performers, open to new people
Focused on problem-solving, accountability	Focused on systems thinking, why problems occur
Targets, budgets, plans	Vision, goals, and growth perspectives
Driven by financial success, job promotion	Driven by purpose, mission, grit, and passion
Massive change programs and initiatives	Iterative change, series of small, measurable steps



Business First, People Second
"People as a means to an end"



People First, Business Second
"People as the purpose of the business"

Source: The Josh Bersin Company, 2021

Above all, leadership is critical. Without the right leadership mindset, capabilities, and behaviors, any progress in EX will be short-lived and unsustainable. It's a choice to make: are you prioritizing business-centered leadership, in which the business is first and people second, or enabling human-centered leadership, in which people come first and the business second (Figure 27)?

Human-centered leaders will take you where you need to go. They inspire trust in the organization, communicate transparently, behave with integrity, are authentic, and model the culture. If you invest anything in employee experience, spend it on driving human-centered leadership to make your company truly irresistible. ■



SPECIAL SECTION

The Important Role of Technology

Technologies and services alone don't drive a great employee experience, but they absolutely matter in supporting the right culture, trust, and inclusive environment.

The HR technology market is on fire. In the United States alone, 12 million employers spend more than \$5 trillion annually on payroll, benefits, training, and other employee programs. One in three workers will change jobs this year, and the talent acquisition market represents a more than \$250 billion market for recruitment. The L&D marketplace—from onboarding to leadership development to technical and power skills—is worth more than \$240 billion. Wellbeing, benefits, and productivity tools capture a similar market.

Key Insights

- Technology is critical in supporting the right culture, trust, and inclusive environment, which underpin a superior employee experience.
- Examining the top 10 EX technology practices reveals those with the biggest impact on business outcomes revolve around advanced people analytics, advanced knowledge systems, and adaptive learning tools.
- The growth of artificial intelligence and machine learning technologies raises important issues around trust and ethics that companies can't afford to ignore.

From HR Applications to Work Tools

One of the biggest parts of employee experience is creating the right digital experience for employees. Fortunately, the entire HR technology and workforce technology industry is quickly moving in this direction (Figure 28).

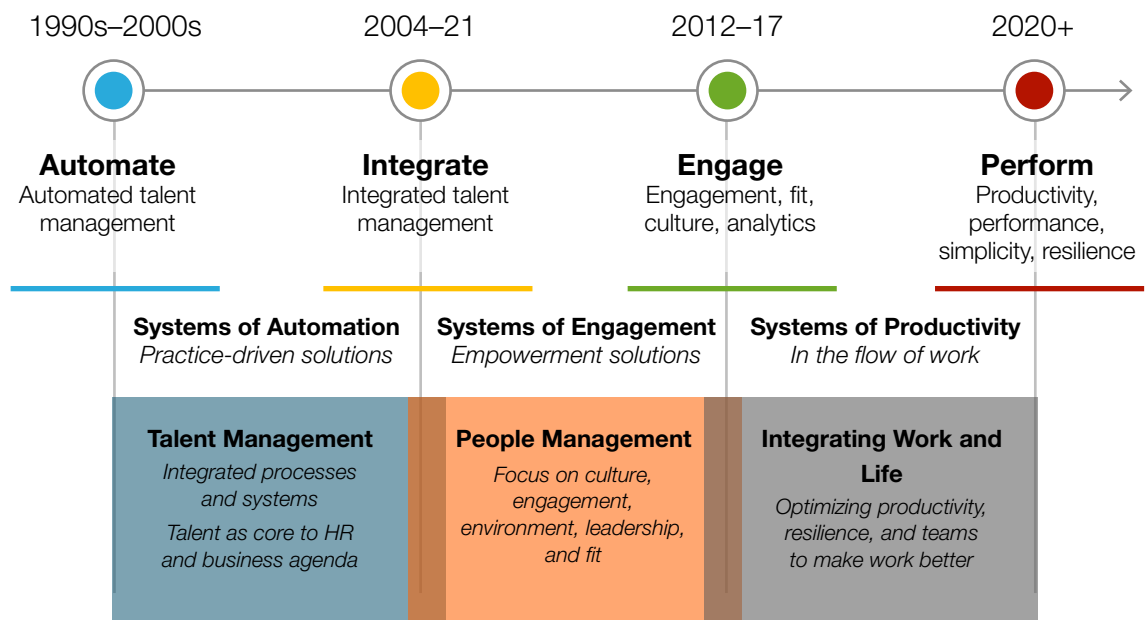
From the standpoint of HR software, most of the tools are becoming useful “in the flow of work.” Employees don’t want to search for a place to track their time or set their goals or take a course—they want it recommended and easy to find in Microsoft Teams, their email, or the mobile phone they use at work. This means the big topic in EX is making work easy.

So to understand what HR technology creates a great employee experience, we don’t just need to focus on HR processes or “the moments that matter,” such as getting hired, promotions, performance evaluations, or raises. We need to focus on the daily moments: collaborating with colleagues, communication tools, finding relevant information, and more (Figure 29).

Consider this: there are more than 1.2 billion information workers, according to Forrester, and 1 billion frontline workers, as reported by the World Bank. Information workers work very differently than frontline workers, and we saw a sharp division of the labor market in the pandemic when we divided into “essential workers” (often frontline workers, such as truck drivers delivering goods bought online, or healthcare workers caring for us,

FIGURE 28

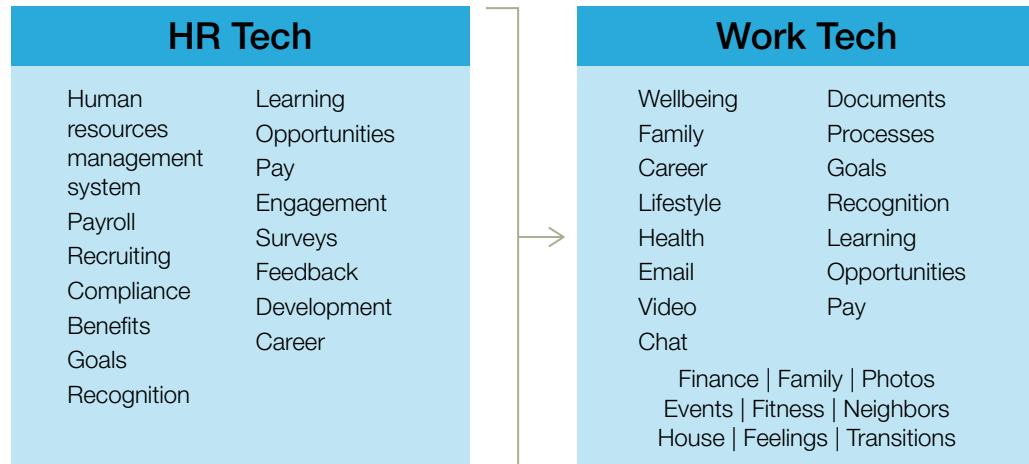
The Evolution of EX Design



Source: The Josh Bersin Company, 2021

FIGURE 29

From HR Tech to Work Tech



Source: The Josh Bersin Company, 2021

or people installing and fixing the technology that allows us to work remotely), and everybody else (those of us fortunate enough to work remotely as knowledge workers).

Through the pandemic, all information workers became very familiar with video conferencing, chat systems, document sharing, virtual whiteboarding, breakout groups in video conferences, and more. These productivity apps became much more important and enabled us to continue to be just as productive as we were before the pandemic (and perhaps more so because commuting time was reclaimed, and people could take care of personal responsibilities while not having to take time off). Work was no longer a place to go to, but simply what people did and how they added value.

The Rapid Evolution of Productivity Apps

The pandemic changed work behaviors forever. Most information workers' time is now spent on Slack, Microsoft Teams, Workplace by Facebook, text messaging on our phones, or WhatsApp. Conversational interfaces have replaced the metaphorical watercooler, walking over to somebody's office or desk, or calling them on the phone. "When somebody calls me on the phone, I don't usually pick up because my business contacts don't call, so it must be a telemarketer or some other unwanted salesperson," one HR executive told us. Similarly, many people don't even respond to emails anymore because they feel too slow.

The numbers support this evolution: more than 80 million people use Teams daily, Webex has around 300 million total users, Zoom more than 100 million, Slack more than 10 million, and Workplace by Facebook more than 5 million. Some recruiting systems now incorporate live video streaming capability, and the same holds true for sales enablement systems such as Allego or Mindtickle—and human capital management (HCM) systems may soon follow (Figure 30).

We started writing about learning in the flow of work in 2018. Today, it’s not just learning that needs to be in the flow of work. Career planning, goal management, communications, and employee surveys all need to happen daily—and have to be embedded into the daily flow of work, not in separate systems. They have to be chat-based, serve up nudges and reminders, and bring the insights to you just such as any consumer app.

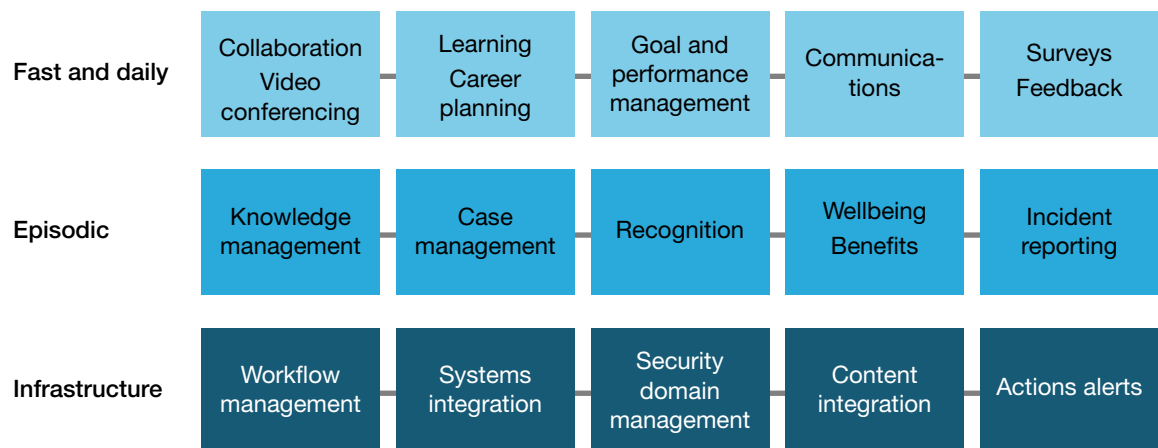
That’s an entirely different paradigm of “user experience.” Rather than pushing employees to HCM systems designed for ease of HR administration, companies such as Unilever,

Deutsche Telekom, and AstraZeneca all use design-thinking approaches to understand what employees need and how they want to access information, and then bring these services to them in the flow of their work. Understanding your user base is critically important, and what works for your company might not work for somebody else.

Microsoft provides employee services primarily via chat, web portal, and email. “We have limited need for phone support because our employees typically prefer to send a Teams message, web portal ticket, or a quick email,” said Kerry Olin, corporate vice president, HR services. That makes sense for a workforce that spends most of its time on computers. But if you are a healthcare company that provides HR services to thousands of nurses who don’t even have a computer and don’t want to use apps, a robust call center will be important. Consulting companies such as Deloitte or Accenture, for which business travel is part of the workday for many employees, focus on hotline support systems for people on the road that help them access concierge service to remove roadblocks to getting to the client on time.

FIGURE 30

EX Technologies by Layer



Source: The Josh Bersin Company, 2021

Technology Infrastructure for an Integrated Experience

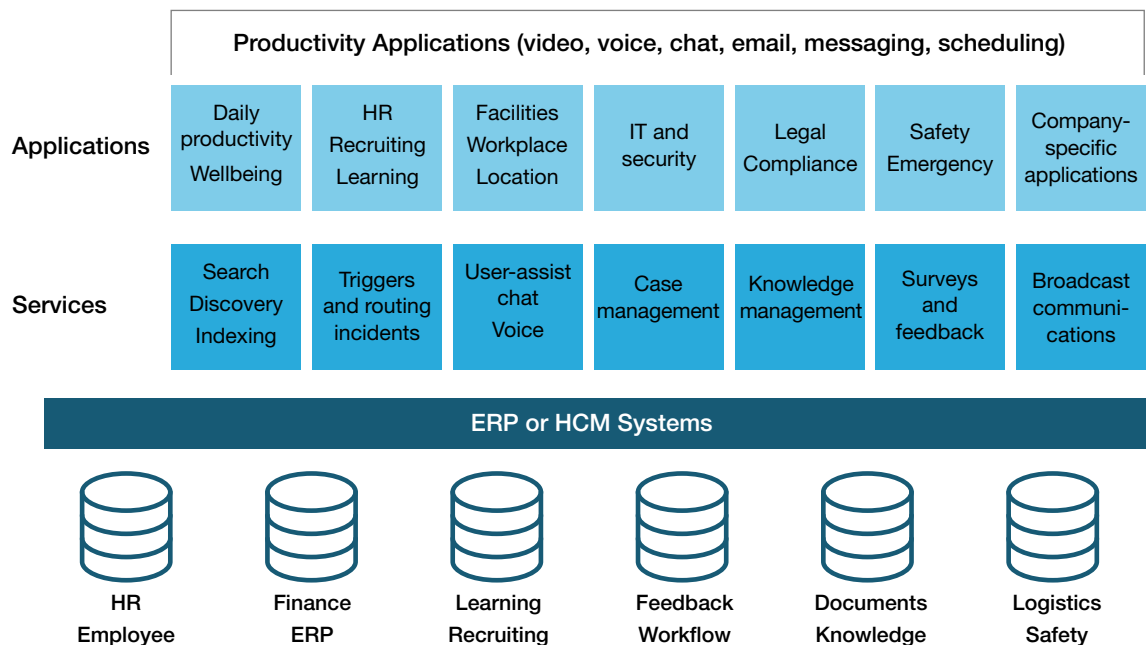
Walmart is working on consolidating work and HR tools into one simple app that lets people check inventory, complete an order for a customer, and check their paycheck—all in the same interface. And it provides every employee with a company smartphone. Huge, complex infrastructure lies behind this simplicity—but the employee doesn’t see any of that. The goal is to make “the daily moments simple and the big moments special,” said Tom Dewaele, global head of employee experience at Unilever. For this simplicity to happen, your HR technology architecture needs to be thoughtfully put together and managed (Figure 31).

Instead of merely giving people access to systems such as your HCM, learning management system, or applicant tracking system—which aren’t designed for easy end-user access but as powerful databases—companies put systems of access on top. In 2020, we wrote that the employee experience platform had arrived to integrate HR service delivery.⁴⁹ And today, that EX layer—the red layer in Figure 32—includes much more than HR services. The latest systems also bring together IT support—from what you do if your computer breaks down to facility services such as finding a hoteling desk or conference room to travel services and much more.

All of these support services need to work seamlessly. If you are a Microsoft Teams user, you can log a support question or chat with somebody right from Teams. Slack users can ping IT support directly, open a ticket, and get support via Slack to

FIGURE 31

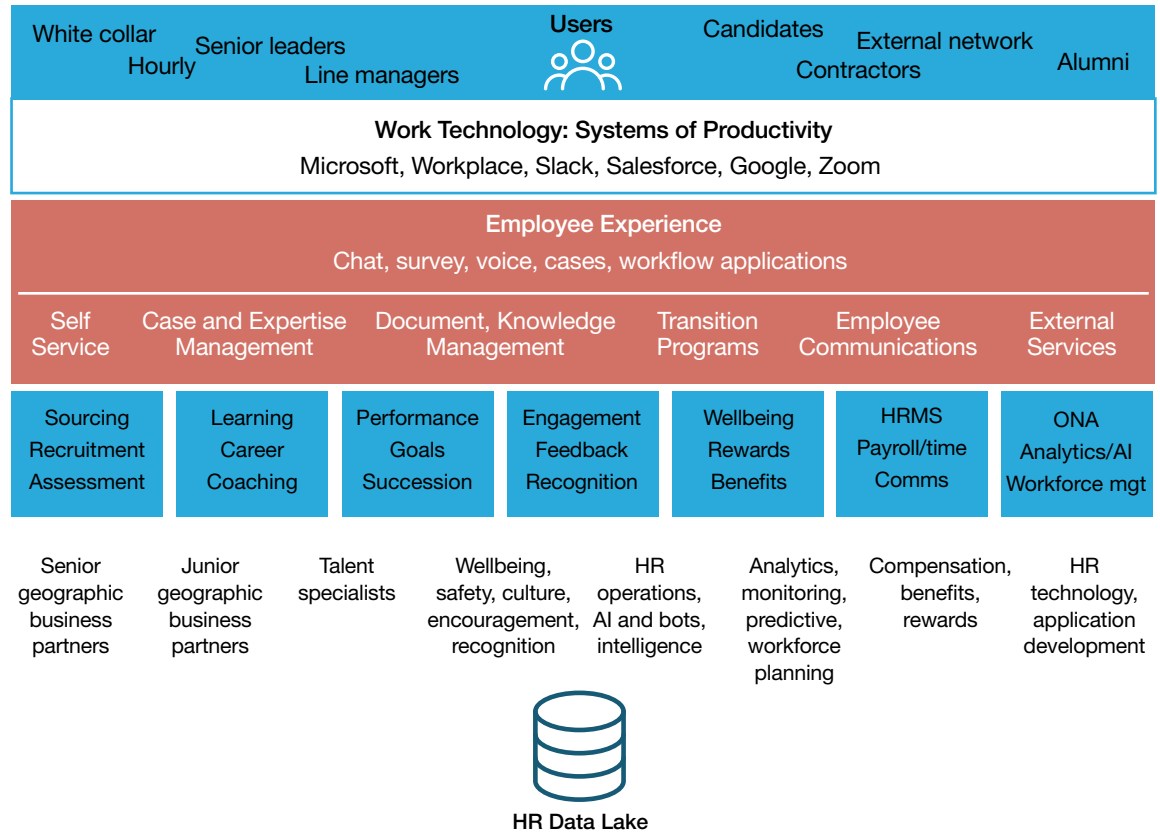
HR Technology Architecture



Source: The Josh Bersin Company, 2021

FIGURE 32

EX Technology by Layer



Source: The Josh Bersin Company, 2021

fix it. If you need to find information about a product, Viva Topics serves up a card right in your workflow to show you what you need to connect you to experts in the company to learn more. Company communications come directly in short snippets so employees always know what's going on.



Merck enhances EX through an in-tool-enablement layer (using WalkMe) to guide people through its HCM, provided by SuccessFactors. Rather than having to know all the features of the system, users get support right there, and it walks them through what they need to do. No more static user manuals that are never there when we need them and are out of date the minute they are created.

The EX Technology Market

As we look at employee experience very broadly, there are many different technologies to consider. From productivity tools to learning technologies and wellbeing apps, many different technologies are needed to create a productive experience. Each of these tools has an important role to play in employee experience, and companies have many choices in bringing in technologies to support their company's experience approach (Figure 33).

FIGURE 33

Technologies and Services to Support EX

Meaningful Work	Strong Management	Positive Workplace	Health and Wellbeing	Growth Opportunity	Trust in the Organization
					
<ul style="list-style-type: none"> Team management Collaboration tools Calendar management Recruiting and selection Onboarding Job sharing Job design/work design Transition management 	<ul style="list-style-type: none"> Goal management Coaching Leader development Executive development Performance management Management philosophy 	<ul style="list-style-type: none"> Safe workplace Productivity tools Facilities management Case management Play and rewards Recognition focus Psychological safety Inclusion and diversity 	<ul style="list-style-type: none"> Health and wellbeing tools Safety management Vacation and break times Meeting management Healthcare benefits Financial wellbeing Psychological and emotional support 	<ul style="list-style-type: none"> Talent management Career development Knowledge management Enterprise content management LMS/LXP Communities Developmental assignments Educational support 	<ul style="list-style-type: none"> Communications Employee portal Company mission Feedback systems Open groups

Next-generation interfaces (mobile, social, nudges, chat, adaptive UX) ; security and privacy; people analytics and action triggers



Source: The Josh Bersin Company, 2021







The Impact of Technology on EX Maturity

Clearly, technology plays a role in creating a great EX. Without technology, making daily moments simple and removing friction from the workday is not possible. Even small companies need all sorts of tools to help employees get work done,

and that infrastructure only grows the more complex the company is. While our EX study was not primarily focused on technology, we looked into various tools related to EX. What we found was fascinating: technologies and services alone don't drive a great experience, but they absolutely matter in supporting the right culture, trust, and inclusive environment (Figure 34).

FIGURE 34

The Irresistible Organization

Meaningful Work	Strong Management	Positive Workplace	Health and Wellbeing	Growth Opportunity	Trust in the Organization
					
Job and values fit	Clear goals with stretch opportunities	Tools, processes, and systems to get work done productively	Safety and security in all aspects of work	Open, facilitated job and role mobility	Mission and purpose beyond financial goals
Autonomy and agency	Regular coaching and feedback	Appreciation, recognition, and rewards	Personal fitness, health, and physical-wellbeing support	Career growth in multiple paths	Transparency, empathy, and integrity of leadership
Agile teams and supportive coworkers	A focus on management development	Flexible hours and workspace	Psychological and emotional wellbeing and support	Many forms of learning as needed	Continuous investment in people
Time to focus, innovate, and recover	Transparent, simple performance management	Inclusive, diverse, and a sense of belonging and community	Family and financial support	A culture that supports learning	Focus on society, environment, and community

Technology and Services

Foundation (security and access); support systems; insights apps; talent apps; communication apps; work technology



Source: The Josh Bersin Company, 2021

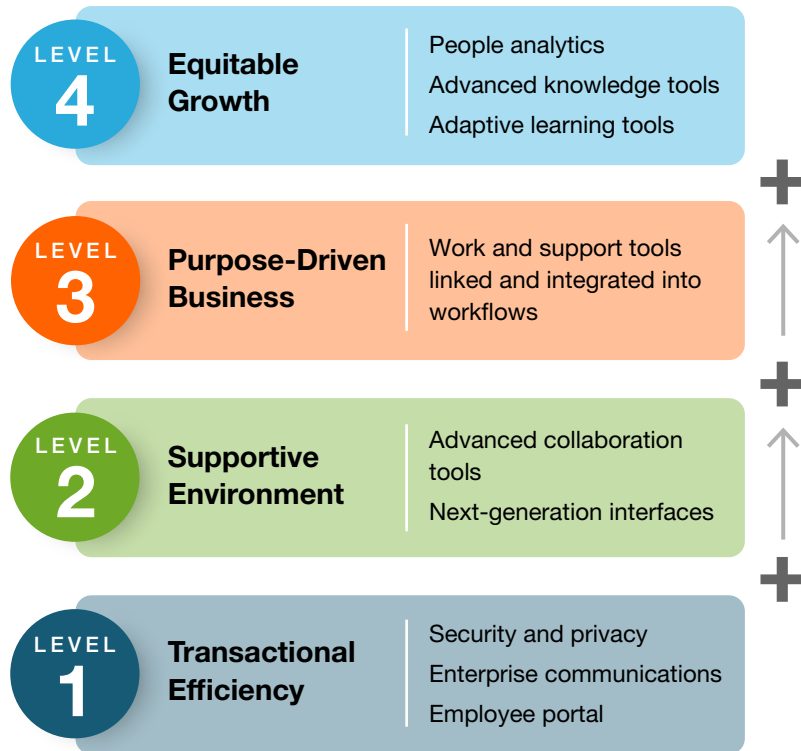
Why does this make sense? If I have a hard time with my virtual communication tools, I likely won't be as productive because I can't quickly get in touch with coworkers. If I can't find information about my benefits plans, I probably won't be all that happy—and I may lose a bit of productivity hunting for the answer. But if I don't even understand why my work matters and how I add value, I'll be that much less engaged, and my customers won't get the best of me.

AstraZeneca, for example, thinks of EX in three layers: the digital experience, the HR experience, and the cultural experience. Technologies shape the first and second layer and contribute to the third.

Companies go through an EX journey in different maturity levels, and those maturity levels also are reflected in technologies that tend to be deployed more at different levels (Figure 35).

FIGURE 35

How Technologies Support EX Practices



Source: The Josh Bersin Company, 2021

When we mapped company organizational maturity levels with technologies, we found a strong connection between maturity and technology practices:

Level 1 companies—those focusing primarily on a transactional relationship with employees—need to concentrate on security and privacy to make data secure and protect individuals’ rights. They also need to provide useful enterprise communication systems in various different formats—not just email but messages, videos, podcasts, and even texts—and build out an employee portal where people can get to work, HR, and support systems easily. Think of these as basic expectations. These are

often not simple to do: many companies struggle with an employee portal for years, and when they finally build it, people tell them they can’t find anything and it’s organized the wrong way.

Level 2 companies—creating a supportive environment where people help and trust each other—focus on advanced collaboration tools such as video conferencing, document management, chat tools, and next-generation interfaces. For example, they bring in AI, nudges, and chat-based systems to help people resolve issues and work together better. Without these tools, people won’t be able to collaborate well, so helping each other wouldn’t be possible.

Level 3 companies—those also focusing on the mission and purpose of their business and leadership—integrate great support tools into the flow of work and part of work tools. This helps mitigate any support issues right away, removing barriers and obstacles wherever they occur, getting them to the right department to resolve quickly.

Level 4 companies—focusing on inclusive growth and authenticity—do all of these things, and also provide adaptive learning tools that anticipate learner needs, know their learning styles, and suggest learning in the flow of work. They have advanced knowledge tools that serve up topics, experts, and resources whenever needed, using AI and machine learning. And they use advanced people analytics and action-taking to not just respond to tactical and daily issues but also anticipate cultural barriers, obstacles to equity and trust challenges, and then proactively address them.

Creating your technology infrastructure is a journey, and you can't build it all at once. Nor will improvements be an easy, quick fix. Target has a clear case for change for technology, a tech journey mapped out for elevating EX, and a longer-term, three-to-five-year product-management strategy. Rather than just running HR technology as a support function, Target runs it like a business because it knows how important it is to the employee experience.

Technologies That Matter Most in EX

EX is multifaceted, complex, and multilayered. It's not just one thing that creates productivity, performance, engagement, wellbeing, and inclusion; it's many different factors, dimensions, and elements—and various strategies and programs. The same holds true for technologies supporting EX. In our study, we wanted to understand what technologies matter most to outcomes—not just engagement, but also business outcomes such as financial performance and customer satisfaction, people outcomes such as being perceived as a great place to work, and innovation outcomes.

We identified the impact on overall outcomes for all of the practices we studied (Figure 36). What we found was fascinating: the most impactful practices are related to getting insights, learning, and growing.

Advanced people analytics and actions have the highest impact on overall business outcomes, followed by advanced knowledge systems and adaptive learning tools. That's because when we understand barriers to productivity and inclusion through analytics, act based on these insights, provide people knowledge, and build capabilities in the flow of work, they can be and do their best.

Advanced people analytics and actions have the highest impact on overall business outcomes, followed by advanced knowledge systems and adaptive learning tools.

FIGURE 36

The Top 10 EX Technology Practices by Impact

Technology and Services	Relative Impact
① Advanced people analytics and actions	VERY HIGH
② Advanced knowledge-management tools	
③ Advanced learning tools	
④ Support systems integrated in the flow of work	
⑤ Useful collaboration tools	
⑥ Work and support systems well connected with each other	
⑦ Next-generation interfaces (mobile, social, nudges, chat, adaptive UX)	
⑧ Focus on user privacy and security	
⑨ Next-generation enterprise communication tools	
⑩ Useful employee portal	MODERATE

Source: The Josh Bersin Company, 2021

Different Practices for Different Outcomes

As we dive deeper into different outcomes, different areas emerge. This matters because you may want to optimize for engagement, business performance, or innovation (Figure 37).


For business outcomes such as financial performance and customer satisfaction, the most impactful technologies are advanced learning tools. Productivity, customer satisfaction, and sales performance all depend on developing skills and capabilities rapidly and adaptively, and these

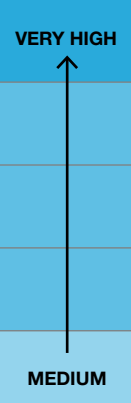



skills change quickly—learning is key to keeping up with the latest products and customer demands. Advanced learning tools break learning into bite-sized, digestible areas and help people learn in the flow of work. Tools such as Mindmarker create microlearning that gets triggered with nudges. Visa and others are using these “markers” from onboarding to sales training and product skills.

Support systems that are part of the flow of work are important for business outcomes, too—because when we don’t get taken out of our workflow to get support for a problem at work, we can continue to stay productive

FIGURE 37

The Top 5 Technology Practices by Impact on Different Outcomes

 Unique to specific outcome

Business Outcomes	People Outcomes	Innovation Outcomes	Relative Impact
① Advanced learning tools	① Advanced people analytics	① Advanced people analytics	 <p>VERY HIGH</p> <p>MEDIUM</p>
② Support systems in the flow of work	 ② Collaboration tools	② Knowledge management tools	
③ Advanced people analytics	③ Advanced learning tools	 ③ Next-generation interfaces	
④ Focus on user privacy and security	④ Knowledge management tools	④ Support systems in the flow of work	
⑤ Knowledge management tools	⑤ Focus on user privacy and security	 ⑤ Work and support systems connected	

Source: The Josh Bersin Company, 2021

and support customers. In Bank of America’s onboarding program, specific triggers are automatically detected and generate automatic support programs—for example, if a person says “the sound won’t play on my Chromebook” in the onboarding survey, a help ticket with IT is automatically generated and the problem gets fixed.

For people outcomes—engagement, retention, a great place to work, and a feeling of belonging—advanced people analytics are key and, in fact, the correlation to these people outcomes is 29% higher than the average correlation of all technology practices. That may be obvious because unless we understand specific engagement “hot spots” and “cold spots” through people analytics, dive deeper on what’s behind them, and then determine a course of action, we will never improve engagement. You wouldn’t try to fix your financial performance without knowing

how you are tracking against your budget—and you can’t run any people practice without people analytics. Microsoft listens to employees with daily full surveys, targeted at a subset of people, and includes open-ended questions such as “what’s on your mind?” to elicit trends and topics to explore more deeply.

Next up for people outcomes are collaboration tools. Interestingly, people outcomes are the only outcome area where these tools play a significant role. The pandemic has accelerated the need for collaboration tools—when we can’t collaborate in person, we need much better tools to bring us together. When we do have them, we feel more engaged and have a sense of belonging. In addition to standard video conferencing apps such as Zoom, Microsoft Teams, or Webex, there’s also VR and AR-enabled platforms such as Virbela and Bramble that allow you to feel as if you are actually in the same room as your colleagues; your avatar

The pandemic has accelerated the need for collaboration tools—when we can't collaborate in person, we need much better tools to bring us together.

can check if they are available and tap them on the shoulder for a chat. We'll see how much these new apps work for people as they mature—but companies such as Reliance and Facebook are already experimenting with their use.

For innovation outcomes—effective engagement and change agility—we again see people analytics as the number one driver, just as with people outcomes. For example, TetraPak, Siemens, and Kraft Heinz use an inclusion index derived from an employee survey—and that's key to understanding where to focus interventions to drive inclusion. At TetraPak, a business council looks at this data and defines action plans, ranging from establishing “bias disruptors” in performance management to suggestions for more inclusive meetings to leveraging mentoring relationships. Innovation is not possible without diversity of thought and inclusive teams, as we saw in the COVID-19 vaccine (both the leaders of Moderna and Pfizer are immigrants to the United States, and these companies' incredible innovation saved many lives).

Second for innovation outcomes are advanced-knowledge tools. These tools help bring insights in the company to people as they need them and make “unconscious knowledge” accessible for more people. Once people have that access and can build on others' knowledge, innovation can really take off. Spreading knowledge across the company is key to creating new products and customer offerings.

Massive Untapped Opportunities of People Analytics

Over the past decade, people analytics has evolved from an academic exercise of tweaking survey instruments and deeply analyzing engagement drivers to a business function and a capability that's critical for HR people in all roles, including human resources business partners (HRBPs). Many of our clients tell us they aim to up-level their HRBPs' analytical skills, and our Josh Bersin Academy People Analytics program is the most popular of our many programs.

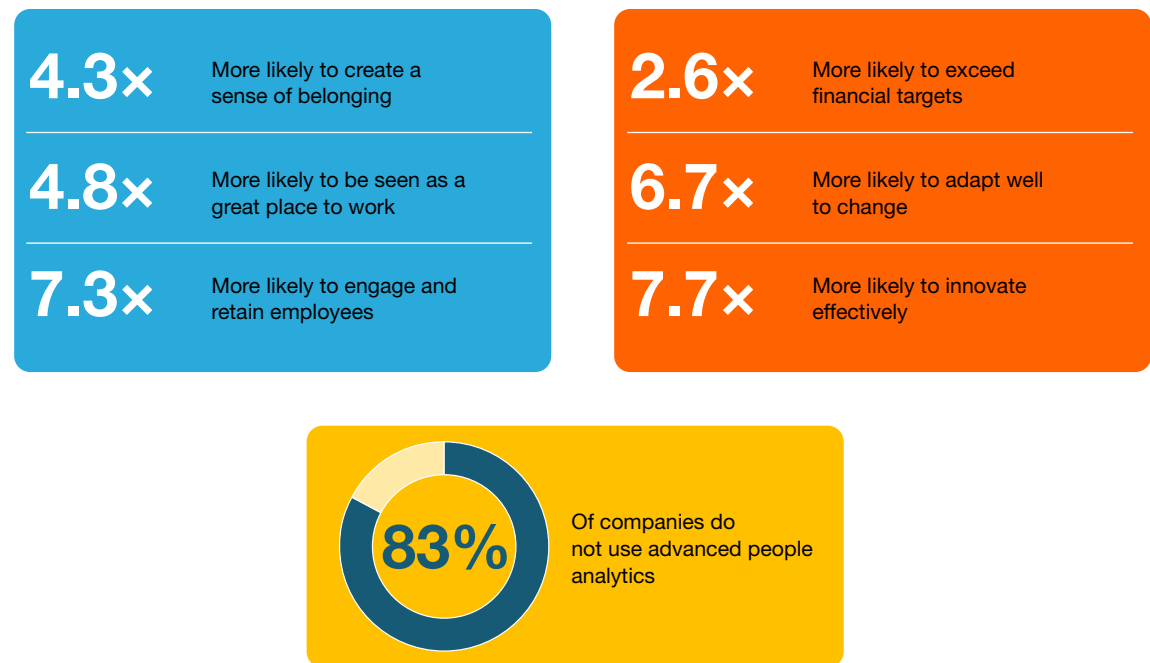
Our DEI study identified the number one practice to drive DEI and overall business outcomes is listening to employees and taking action on the results.⁵⁰ Listening to employees in plans for returning to the workplace also ranked very high on the list of outcome drivers in our pandemic response study.⁵¹ Now, we see yet again that people analytics and action-taking is the most impactful technology and service capability in EX, and it's a big driver of people outcomes, financial performance, and innovation outcomes (Figure 38).

However, it's also a massively underutilized capability, and 83% of companies don't use it effectively. Why? There's certainly no shortage of tools. From survey tools to organization network analysis (ONA) technologies to natural language processing software and tools that analyze help tickets for trends, the market is full of tools

FIGURE 38

The Impact of Advanced People Analytics on Outcomes

Companies that use advanced people analytics are ...



Source: The Josh Bersin Company, 2021

promising to help with employee engagement, retention, and performance.

Beyond people analytics technology, the problems many companies are facing in people analytics are threefold:

1. Can we trust our data? Many companies feel their data is not good, and any analysis might not be accurate or clean. This can result in a never-ending cycle of cleanup and procrastination.

Solution: Start small. Pick an important problem and resist the “accuracy trap” of trying to be overaccurate with your numbers,

because people may dispute the number rather than acknowledging a problem. Kraft Heinz make data available to managers so they can determine how accurate the data is.

2. Who will take action on the insights?

Insights without action are useless or, at best, interesting. How can we make sure that the right people actually do something about the results of listening and analytics?

Solution: Define up front who will own actions (even before doing any data collection or analysis), and hold the right people accountable. Consumer Reports, TetraPak, and Siemens provide diversity and inclusion data to

each business leader and the C-suite sets expectations of actions.

3. Do we solve the right problems? How do you know if you are working on the right topics? Are the questions addressed really what has the highest impact on the business? Sure, you might have to work on improving HR processes too, but what about driving productivity, influencing product strategy, or improving customer satisfaction?

Solution: Work with the business to identify questions that will drive the highest impact. Facebook and Capital One have people analytics business partners who are really consultants assigned to different business areas, and they are part of business planning and strategy.

People analytics is not just a technology issue—but without the right people analytics, any traction on people process will be based on speculation, not facts. Treating your employees as customers requires the same rigor and insights as you take with customers. You wouldn't run marketing without detailed insights on customers—and you can't run your people function without data.

Knowledge in the Flow of Work: The Heartbeat of the Company

Intangible assets—such as intellectual property or software—have become the most valued assets. Airbnb has no physical assets but yet is valued much higher than Marriott or Hilton because when demand shifts to different geographies or types of properties, the marketplace will respond much more rapidly than if you have to sell properties and build new ones.

The pandemic has shown us how big the cliff is between essential and knowledge workers. While knowledge workers were able to relatively

seamlessly move to remote work and continue jobs from the safety of their homes, essential workers such as delivery drivers, food servers, or grocery store clerks had to work hard to protect themselves from infection.

The market for knowledge tools is massive: an estimated \$366.8 billion in 2020, and expected to grow to a staggering \$1.1 trillion by 2027.⁵² Most of this is spent on tools to capture, categorize, index, and organize content—including search engines, portals, and tools that index text, audio, video, and other forms of content. But, according to our research, almost 8 in 10 companies don't have the tools to capture all of that knowledge, or provide it to their people so they can make better decisions. That's a big missed opportunity: companies that provide advanced knowledge tools have much higher customer satisfaction, innovate better and adapt much better to change (Figure 39).

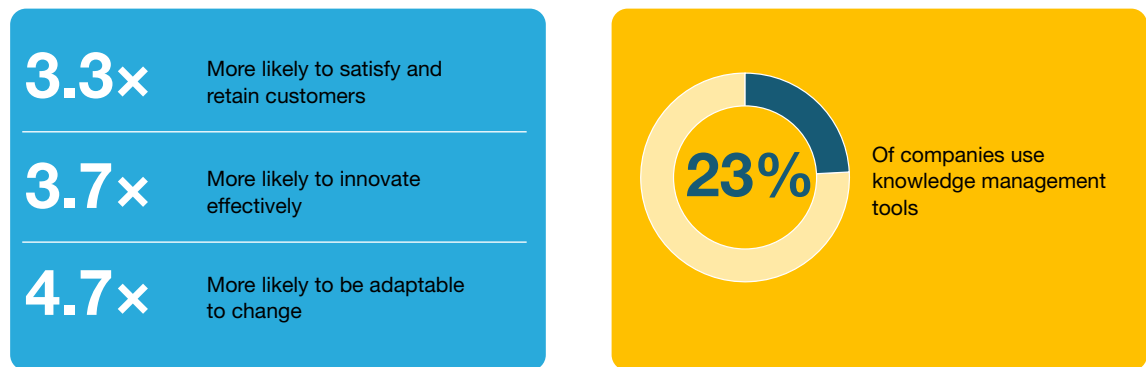
Knowledge management as a discipline has really evolved. Today's tools, such as Microsoft Viva Topics, let you submit knowledge easily—you can record videos, process written documents in any format, or just speak into a form. You can also search through content submitted by colleagues without knowing the exact words they used. But because 90% of knowledge is “unconscious”—we don't even know what we know—tools that tap into these unconscious knowledge sources are especially powerful.

Think about a software engineer who is trying to solve a coding problem and can search for others who have approached a similar problem. The right tool will give them the contact details of all the people in the company with experience—or even outside experts. A salesperson preparing for a pitch could get the latest product insights right when they are putting together a presentation, together with tips on who to contact to learn more about capabilities to highlight or trends in the prospect's industry. “The goal is to surface just-in-time knowledge and just-in-time information

FIGURE 39

The Impact of Advanced Knowledge Tools on Outcomes

Companies that use advanced knowledge management tools are ...



Source: The Josh Bersin Company, 2021

to people where they need it, when they need it,” said Simon Denton, productivity engineer at Mott MacDonald. “Enterprise knowledge is the heartbeat of the organization.”

It’s easy to understand how these in-the-flow insights result in better products, more innovation, and more satisfied customers. For knowledge workers, tools that don’t just respond to our knowledge needs but anticipate our questions and respond to them before we even voice them are key to productivity, performance, and innovation—as well as the kind of individual and organizational growth that the most successful companies create, driving sustainable business excellence.

Advanced Learning Tools Matter to Business Outcomes

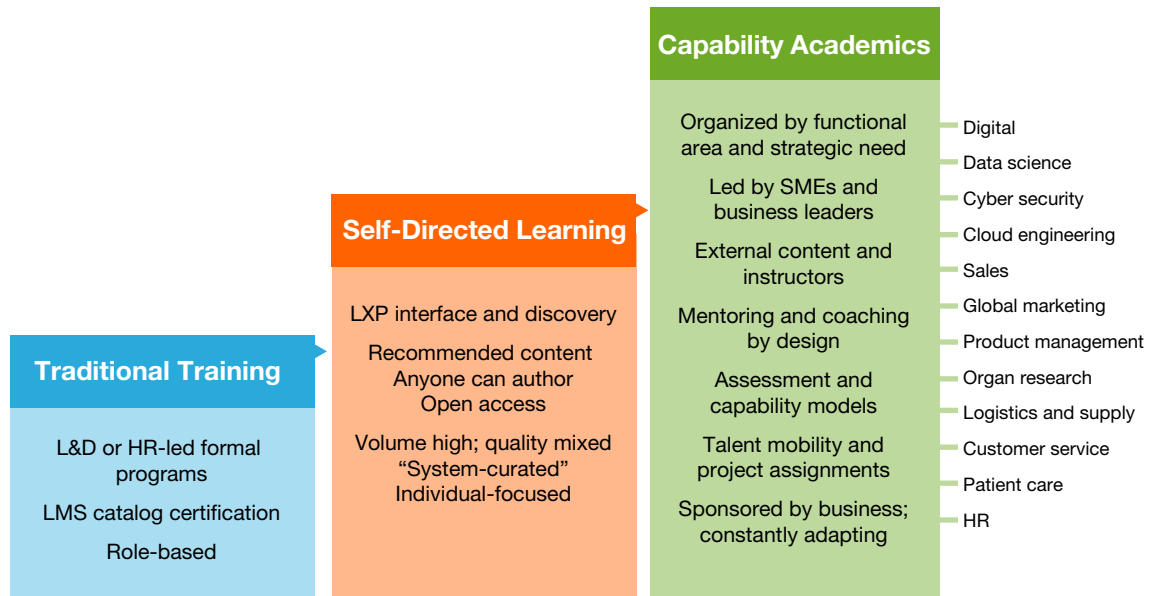
The learning-technology market—a more than \$20 billion industry—is going through a period of incredible innovation: creating an employee experience that enables learning in the flow of

work while also advancing professional academies within a company.⁵³ A new category of learning platform—the learning experience platform (LXP)—emerged more than five years ago to put the experience of the learner front and center. Envisioned as a “Netflix for Learning,” these platforms don’t create content but recommend content to you, based on what you consumed before, your role, your skills, capabilities, the way you like to learn, and more (Figure 40).

No company can function without learning. Whether you provide it in-house or outsourced; in-person, virtual, or hybrid; for power skills such as communication or leadership; or technical skills like agile development or SEO optimization, every company need to provide learning and development to their people on many different topics. However, our study found 3 in 4 companies don’t use advanced learning tools—those putting the experience front and center, putting learning into the flow of work, and building the capabilities needed for future performance.

FIGURE 40

The Transformation of the Learning Market



Note: Corporate capability academies are the next wave after self-directed learning—a way to institutionalize learning in the flow of work.
Source: The Josh Bersin Company, 2021

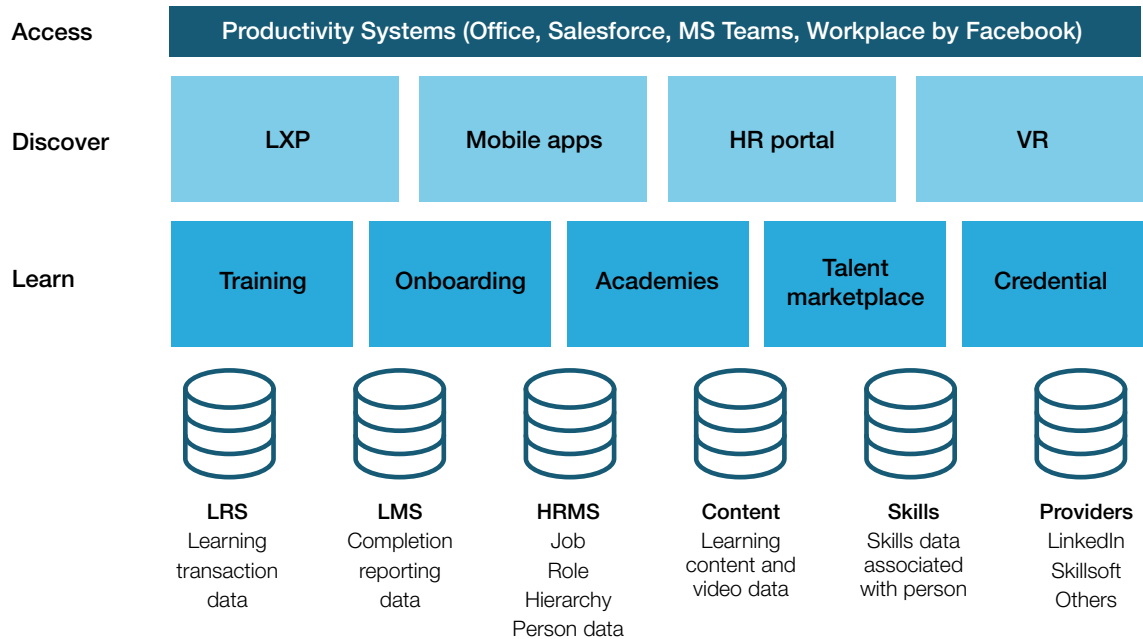
The potential upside is huge. Not only does great learning engage and retain your best talent (lack of development has been identified as the principal reason people leave companies), it also makes your company more profitable, engages and retains customers, and helps you be seen as a great place to work.

What do advanced learning tools look like? Companies from AstraZeneca to Visa to Walmart create an entire technology learning infrastructure organized not around content but around a great learner experience—letting people access learning

in their work systems, discover content the way it works best for them, and learn through formal training, experiences, and collaboration. With learning journeys and personas, L&D teams are no longer the “content expert” but the experience designers of learning experiences that work for the learner (Figure 41). With a learner-centered learning ecosystem, people get highly personalized recommendations and insights on learning that meet their learning needs at the right time, with the right content, and in the right format for them.

FIGURE 41

The Learning Infrastructure



Source: The Josh Bersin Company, 2021

Trust and Ethics in AI

The most impactful technology practices—advanced people analytics and action-taking, next-generation knowledge tools, and learning technologies—have one thing in common: they all rely on artificial intelligence and machine learning. Without these advanced technologies, personalization at scale isn't possible.

These technologies have evolved a lot in the past decade. Whenever things feel “like magic,” AI is typically at play. How can a system know what problems I am facing and resolve them quickly? Where do nudges to collaborate more with people come from? Why do I get a recommendation to connect with an expert on a specific topic? All of this is possible only because we get better and better at machine learning and applying data

science to people issues. And AI and robots are increasingly encroaching on other areas of work—replacing managers for some tasks, supporting health and wellbeing, and driving engagement and productivity.

Consider this: a study by Oracle showed 64% of people would trust a robot more than their manager. This feeling is strongest in India (9 in 10 people) and much weaker in the United States (57%) and United Kingdom (54%). Half have turned to a robot instead of their manager for advice, and 82% of people think robots can do things better than their managers—for example, provide unbiased information, maintain work schedules, problem solve, or manage a budget.⁵⁴

Another study found 68% of people would prefer to talk to a robot versus their manager about

stress and anxiety at work because they are seen as judgment-free: an unbiased outlet to share problems and get quick answers to health-related questions. About 80% are open to having a robot as a therapist or counselor, and 3 in 4 people say AI has helped their mental health at work. AI has also helped a majority (51%) of workers shorten their work week and take longer vacations (51%). More than half of respondents say AI technology increases employee productivity (63%), improves job satisfaction (54%), and improves overall well-being (52%).⁵⁵

The biggest problem with these new advanced technologies? People don't know if they can trust them or if they are ethical. And with trust and ethics being the most important elements of EX, this question plays into technology decisions, too. Do you let an AI access all of your emails, health

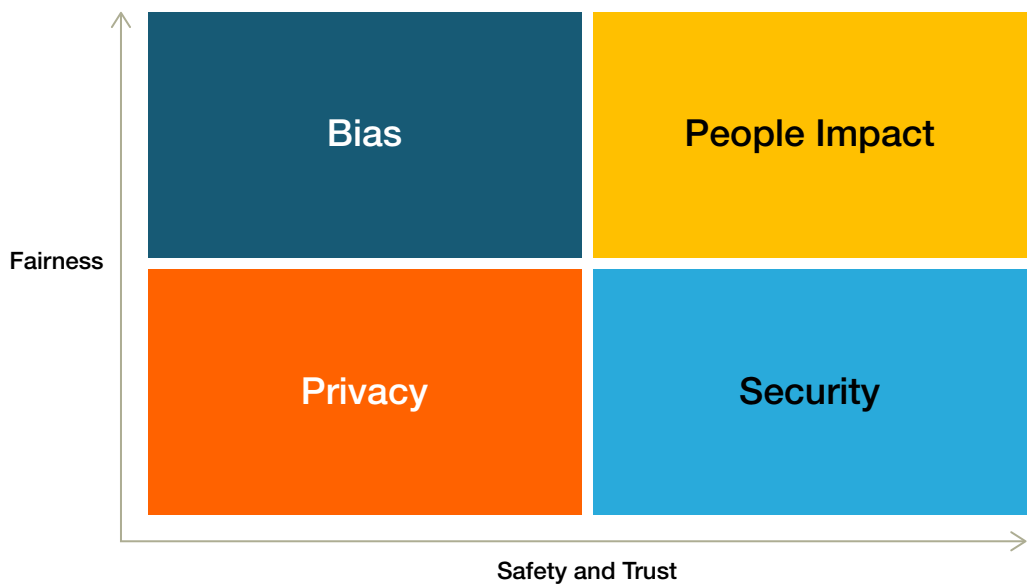
data, or your work schedule? What will the AI do with all this data? Do you know it's secure? How do you know it won't be used against you, or shared with somebody you didn't give access to?

Ethical use of data means people can trust companies to protect their personal information and use it in ways that don't harm anyone. Thankfully, people do tend to trust their employers—companies are the most trusted entity, according to the Edelman trust barometer. And, as we've established, trust in the organization has an outsize impact on business, people, and innovation outcomes.

Here's a framework for ethics of data and AI that can help organize your thinking and action steps as you move forward with any AI project (Figure 42).⁵⁶

FIGURE 42

A Framework for Trust and Ethics in AI



Source: The Josh Bersin Company, 2021

There are four big elements to consider:

Privacy. Will data be kept private? Who will have access to it? Can I opt out at any time and get all my data back and erased from anywhere it's stored? Europe's GDPR requirements are clearly designed to protect data privacy; even if your company doesn't operate in Europe, you'd be well advised to take all of the GDPR requirements into consideration.

Security. How does the company protect the data against security breaches? Cybersecurity has been elevated in importance through the pandemic, but cybercriminals and hackers get smarter every day. Confidentiality, encryption, and access controls are all part of this important area. Your company can absolutely aim to be more secure than required by laws.

Bias. Does the AI mitigate bias or multiply bias? Machine bias or algorithmic bias is something to guard against because, if unsupervised, AI can instill bias much faster and efficiently than any human. Two elements factor into this bias: machines are built by inherently biased humans, and the data used to train the algorithm can be biased, too. Protecting against machine bias is key to trust and ethics in AI.

People impact. What will the AI be used for? Is it for my own development, or to make decisions about who gets fired? Will it be used to evaluate me or to help me? Clearly, openly and transparently communicating what the AI will use insights for is imperative. It's not OK to just collect data and then "see what happens."

Trust is the most important factor of employee experience, driving engagement, retention, and business outcomes such as financial performance, customer satisfaction, and innovation. Many companies are hiring "chief ethics officers" to govern and protect trust and ethics, and others are

creating "ethical use committees" to make sure all analytics projects are evaluated carefully.

The ethical use of data is not a training problem—it's more like a "safety program." When you start a new analytics program, you need a checklist of issues to consider. Ask yourself: "How would it look if this program appeared on the front page of the *New York Times*?" Would it damage the company's reputation? If yes, you need to work on it some more.

It's really important to note that there's no magic bullet here. You need to take these topics seriously and deploy resources towards them. Microsoft has a task force and policy dedicated to the ethical use of AI that works on these topics across model builders, business owner, and developers. Beyond just human interventions, it even has technologies that detect biases in data sets and corrects them with software to mitigate machine bias.

Finally, use consumer experiences with data as a guide. Companies that expose massive amounts of consumer data have suffered in terrible ways. Today, trust is one of the most important business assets we have. Take it seriously and make sure your efforts to make management data-driven move in the right direction. You'll be glad you did.

Creating an EX Technology Plan

As you can see from our research, there are myriad HR and workplace technologies to consider. We recommend you follow a few simple steps:

1. **Partner with IT** to build an integrated experience for employees. While it's tempting for HR teams to buy and select lots of great tools, it's much more important for them to work together. The IT

team can make sure the HR software integrates with your standard messaging, security, and other infrastructure needs. Major platforms such as Microsoft Teams, Slack, Salesforce, and others have open interfaces to work with smaller vendor tools. We highly recommend you read *HR Technology 2021: The Definitive Guide*⁵⁷ to get more background on the market.

- 2. Use the personas and journeys** you've developed to select the right tools. As this report explains, EX is not a "one size fits all" problem. Companies use various methods of segmenting their workforce, including by role, type of job (office, mobile, manufacturing, retail), tenure (new hire, tenured, leadership, family, alumni), and level (first line, management, leadership). We suggest you work with IT to create these personas and group people by similar types of work. You can then apply your technology infrastructure to these groups.
- 3. Consider the self-service nature of the technology.** In today's busy work environment, people don't have time to consume in-depth training in the use of tools. The more self-service, chat-enabled, and personalized the systems can be, the faster they will be adopted and the more successful they will become. Most vendors have many forms of AI and data-enabled personalization; explore these options before you buy a "state of the art" solution.
- 4. Pilot whatever technology you select.** Every implementation of technology runs into discoveries, so take a few months to try out whatever tools you select before you license them for global deployment. These pilots should include employees from different personas.
- 5. Work with IT to make sure data is secure,** the systems use existing methods of verification and identity management, and the vendors you select abide by GDPR standards and local

data storage rules in each country in which you do business. The cloud technology market is rapidly moving to "local government regulations," so you may find a system that works well in the United States is not acceptable in certain countries in Asia, Europe, or the Middle East.

- 6. Make sure your EX team is ready to iterate.** Not only are many WorkTech tools new and immature but the vendors are also rapidly adding features at dizzying speed. Your team will have to work with IT to manage version upgrades, fixes, and a steady stream of new features. This means you should minimize the number of vendors you select and work with providers already accepted by your purchasing and IT team if possible.
- 7. Listen to input constantly.** Users will give you feedback, suggestions, and a never-ending stream of comments and ideas. Given the rapid changes in technology and the nature of hybrid work, this feedback is critical to your success. Remember that trust, culture, and productivity are all enabled by listening. The journey to a world-class EX is an ongoing process. ■

Thank You

This report represents extensive research in partnership with Microsoft, Perceptyx, and dozens of HR and other technology providers. We would also like to thank all the HR and IT professionals who joined our Big Reset groups, interviews, and case studies. We will update this report on a regular basis, and we want to hear from you. If you ever have questions, suggestions, or feedback, please contact us at info@joshbersin.com. We look forward to hearing about your success in your ongoing employee experience journey!



Josh Bersin

Global Industry Analyst
Dean, Josh Bersin Academy

Josh Bersin founded Bersin & Associates in 2001 to provide research and advisory services focused on corporate learning. He expanded the company's coverage to encompass HR, talent management, talent acquisition, and leadership and became a recognized expert in the talent market. Bersin sold the company to Deloitte in 2012 and was a partner in Bersin by Deloitte up until 2018.

In 2019, Bersin founded the Josh Bersin Academy, a professional development academy that has become the "home for HR." In 2020, he put together a team of analysts and advisers who are now working with him to support and guide HR organizations from around the world under the umbrella of The Josh Bersin Company. Recently published research covers topics such as hybrid work; HR technology market trends; employee experience; and diversity, equity, and inclusion. He is frequently featured in publications such as *Forbes*, *Harvard Business Review*, *HR Executive*, the *Wall Street Journal*, and *CLO Magazine*. He is a popular blogger and has more than 800,000 followers on LinkedIn.



Kathi Enderes, PhD

Kathi is the vice president of research at the Josh Bersin Academy; she leads research for all areas of HR, learning, talent, and HR technology. Kathi has more than 20 years of experience in management consulting with IBM, PwC, and EY and as a talent leader at McKesson and Kaiser Permanente. Most recently, Kathi led talent and workforce research at Deloitte, where she led many research studies on various HR and talent topics and frequently spoke at industry conferences. Originally from Austria, Kathi has worked in Vienna, London, and Spain and now lives in San Francisco. Kathi holds a doctorate and a master's degree in mathematics from the University of Vienna.



Appendix

Survey Background

We studied 83 practices across a broad range of topics and identified 15 that mattered most when we correlated them to high performance across eight business, people, and innovation outcomes.

The full list of practices studied is below.

All Studied Practices

Element	Dimension	Practice
Meaningful Work	Job and values fit	We use prehire assessments to determine skills and experience match.
Meaningful Work	Job and values fit	We help people find jobs that match their values and purpose.
Meaningful Work	Job and values fit	People in our organization frequently move into jobs that they feel are a better fit.
Meaningful Work	Autonomy and agency	We drive decision-making close to the customer/to the front line.
Meaningful Work	Autonomy and agency	We regularly give employees freedom to find new ways to do their work.
Meaningful Work	Autonomy and agency	Our employees have a say in decisions impacting their work.
Meaningful Work	Agile team, supportive coworkers	People on teams help each other succeed.
Meaningful Work	Agile team, supportive coworkers	Teams have clear roles and responsibilities.
Meaningful Work	Agile team, supportive coworkers	We design teams around complementary skills, experiences, and backgrounds.
Meaningful Work	Time to focus, innovate, and recover	We design jobs to let people think, rest, and innovate in their roles.
Meaningful Work	Time to focus, innovate, and recover	We purposely staff up with more people than needed to create space for creativity and great customer support.
Meaningful Work	Time to focus, innovate, and recover	We regularly check people's workload and provide support when we identify overload.
Strong Management	Clear goals with stretch opportunity	We have a clear process for goal-setting on a regular basis.
Strong Management	Clear goals with stretch opportunity	Managers and employees frequently monitor goals for changes and adjust them as the business requires.
Strong Management	Clear goals with stretch opportunity	We use a goal-setting philosophy that includes both operational and stretch goals.
Strong Management	Regular coaching and feedback	We provide managers with tools and resources to coach and develop their team members.
Strong Management	Regular coaching and feedback	We reward managers for coaching and development of others.
Strong Management	Regular coaching and feedback	Managers frequently check in with their team members.
Strong Management	A focus on management development	We have a clear management philosophy and leadership model aligned to our values.

Element	Dimension	Practice
Strong Management	A focus on management development	We invest in the training and development of leaders at all levels.
Strong Management	A focus on management development	We reward people management equally as operational management.
Strong Management	Transparent, simple performance management	Our performance management focuses on growth and development, not just performance and output.
Strong Management	Transparent, simple performance management	Our performance evaluation approach is clearly defined, transparent, and fair.
Strong Management	Transparent, simple performance management	Performance management occurs in the flow of daily work, not just at sporadic checkpoints.
Positive Workplace	Tools, processes, and systems to get work done productively	We invest in providing user-friendly, accessible tools to make jobs productive and easier.
Positive Workplace	Tools, processes, and systems to get work done productively	We regularly study work and job design to make jobs easier, more automated, and more productive.
Positive Workplace	Tools, processes, and systems to get work done productively	Our HR team believes enabling productivity is part of their job.
Positive Workplace	Appreciation, recognition, and rewards	We work hard to make rewards and recognition fair and equitable.
Positive Workplace	Appreciation, recognition, and rewards	People regularly thank others, and we value social and shared recognition.
Positive Workplace	Appreciation, recognition, and rewards	We provide above-average pay, benefits, and transparency in reward systems.
Positive Workplace	Flexible hours and workspace	We provide workers flexibility when and where to do their work, as the job allows.
Positive Workplace	Flexible hours and workspace	We design workplaces and workspaces to maximize productivity, performance, and wellbeing of employees.
Positive Workplace	Flexible hours and workspace	We provide employees with suitable systems and equipment for productive remote work.
Positive Workplace	Inclusive, diverse, and sense of belonging and community	We regularly listen to employees to understand inclusion, equity, and diversity challenges.
Positive Workplace	Inclusive, diverse, and sense of belonging and community	We encourage employees to bring their authentic selves to work.
Positive Workplace	Inclusive, diverse, and sense of belonging and community	We help employees to build communities at work and create a sense of belonging.
Health & Wellbeing	Safety and security in all aspects of work	We are highly focused on physical safety in the workplace.
Health & Wellbeing	Safety and security in all aspects of work	People feel comfortable to speak up and give feedback regardless of level or role.
Health & Wellbeing	Safety and security in all aspects of work	We have a complete "safe workplace" program that covers all aspects of health and wellbeing.
Health & Wellbeing	Personal fitness, health, and physical wellbeing	We invest and focus on a culture of health and physical wellbeing.
Health & Wellbeing	Personal fitness, health, and physical wellbeing	Leaders model wellbeing, mindfulness, and physical health.
Health & Wellbeing	Personal fitness, health, and physical wellbeing	Our benefits include generous options for physical, mental, and financial wellbeing.
Health & Wellbeing	Psychological and emotional wellbeing and support	We regularly check in on emotional wellbeing for signs of stress and burnout, and address accordingly.
Health & Wellbeing	Psychological and emotional wellbeing and support	We give people time to decompress with flexible schedules and job roles.
Health & Wellbeing	Psychological and emotional wellbeing and support	The HR team is highly capable of supporting emotional and psychological wellbeing.

Element	Dimension	Practice
Health & Wellbeing	Family and financial support	We provide generous resources for families and the entire worker's life.
Health & Wellbeing	Family and financial support	We have a complete financial wellbeing strategy.
Health & Wellbeing	Family and financial support	We heavily support the caregiving responsibilities of workers.
Growth Opportunity	Open, facilitated job and role mobility	Managers are rewarded for developing people and supporting careers.
Growth Opportunity	Open, facilitated job and role mobility	We give employees tools and opportunities to facilitate job mobility and developmental assignments.
Growth Opportunity	Open, facilitated job and role mobility	Job mobility is celebrated and encouraged, to foster constant growth.
Growth Opportunity	Career growth in multiple paths	We encourage people to continuously develop regardless of their role.
Growth Opportunity	Career growth in multiple paths	We have formal programs to facilitate career growth in lateral and vertical paths.
Growth Opportunity	Career growth in multiple paths	We regularly offer developmental assignments at all levels.
Growth Opportunity	Many forms of learning as needed	We provide a wide range of formal, informal, and curriculum based learning to all employees.
Growth Opportunity	Many forms of learning as needed	We facilitate mentoring, networking, and communities for social learning.
Growth Opportunity	Many forms of learning as needed	We provide intelligent suggestions for learning and development based on each employee's needs.
Growth Opportunity	A culture that supports learning	We give people time to learn, and reward and recognize learning.
Growth Opportunity	A culture that supports learning	We give people the opportunity to contribute to our shared knowledge and recognize them for their offering.
Growth Opportunity	A culture that supports learning	We talk about mistakes and take time to learn from failures.
Trust in the Organization	Mission and purpose beyond financial goals	Our entire organization clearly communicates our mission and vision.
Trust in the Organization	Mission and purpose beyond financial goals	Managers help employees tie their individual contribution to the broader mission and vision.
Trust in the Organization	Mission and purpose beyond financial goals	Our mission and purpose is a part of everything we do.
Trust in the Organization	Transparency, empathy, and integrity of leadership	Leaders are open, transparent, and honest in their communication.
Trust in the Organization	Transparency, empathy, and integrity of leadership	People trust our leaders to be ethical and operate with high integrity.
Trust in the Organization	Transparency, empathy, and integrity of leadership	Integrity and helping others is a core part of our culture.
Trust in the Organization	Continuous investment in people	We operate under a people-first approach.
Trust in the Organization	Continuous investment in people	We prioritize investment in our employees even when the business is not doing well.
Trust in the Organization	Continuous investment in people	We view diversity, equity and inclusion as a business priority, not just an HR program.

Element	Dimension	Practice
Trust in the Organization	Focus on society, environment, and community	We stand up for what's right, even when it is not popular or has a potential impact on our business.
Trust in the Organization	Focus on society, environment, and community	We have a strong commitment to community, citizenship, and environmental sustainability.
Trust in the Organization	Focus on society, environment, and community	We invest money, time, and energy into making the world and society better.
Technology and Services		<p>We use next-generation interfaces (mobile, social, nudges, chat, adaptive UX) in our tools.</p> <p>We have a strong focus on user privacy and security in all our technologies.</p> <p>We use advanced people analytics and implement actions accordingly.</p> <p>We provide useful collaboration tools to our workers for all work settings (remote, hybrid, in person).</p> <p>We provide knowledge management tools to contribute and find topics and experts in the flow of work.</p> <p>We provide advanced learning tools to employees to enable learning at all times.</p> <p>We use next-generation enterprise communication tools to support always-on communication.</p> <p>We provide an employee portal that is useful in employees' daily work.</p> <p>Our work systems and support systems are well connected with each other.</p> <p>Our support systems are integrated in the flow of work, not standalone.</p>

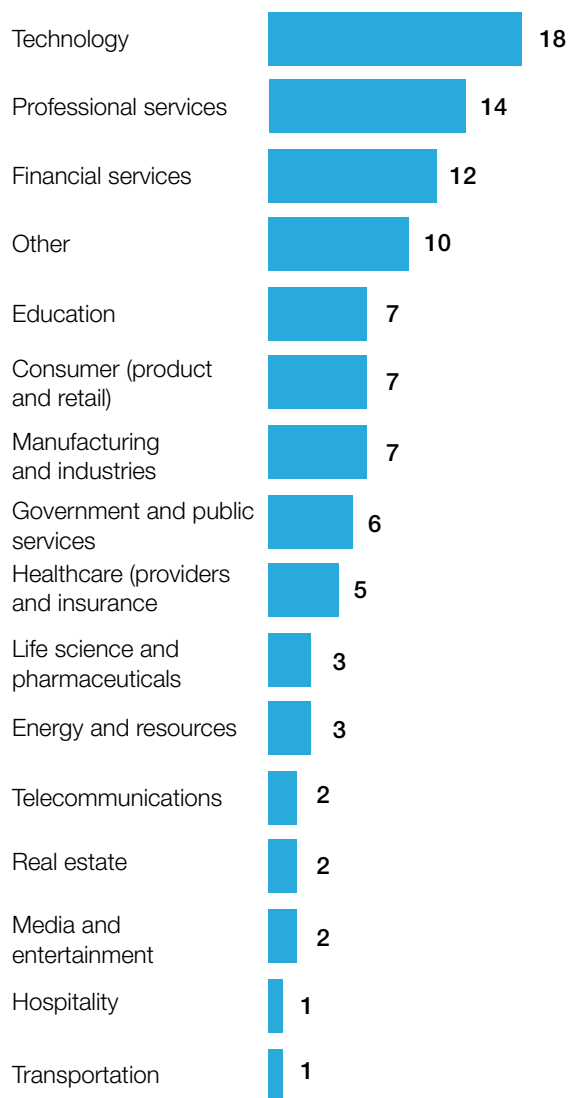
Company Demographics

There were 981 companies that participated in our research in January and February 2021. We analyzed data along industry lines, headquarters location, and company size to determine variances and benchmarks.

Participants by Industry, Geography, Size, and Roles

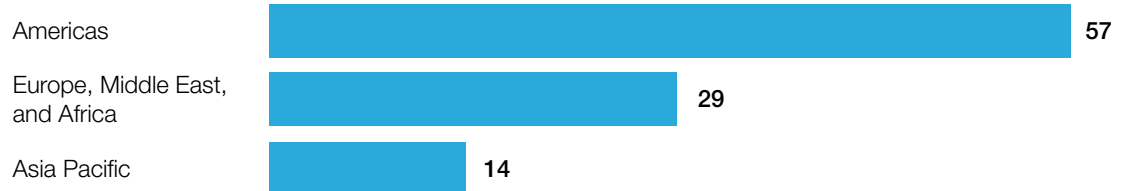
% of study respondents

By Industry

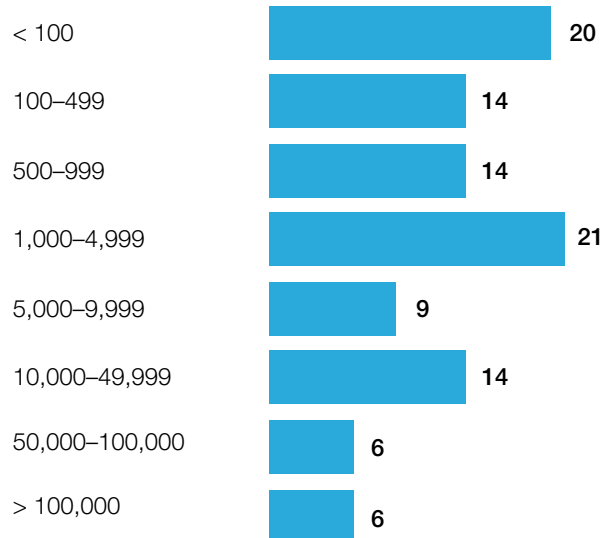


Participants by Industry, Geography, Size, and Roles (continued)

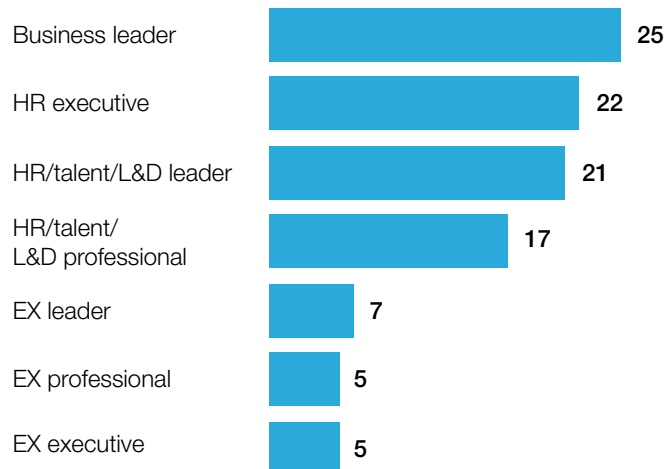
By Geography



By Organization Size



By Role



Source: The Josh Bersin Company, 2021

Study Methodology

We conducted the broad-based, global industry study in five major steps:

Big Reset Discussions

Over six months, we discussed with HR, talent, L&D, and EX executives in more than 160 organizations the EX practices they deployed and where they saw the biggest organizational challenges, successes, and mistakes. These discussions, conducted in different working groups and sprints, helped inform the questions and topics to study in the survey.

Excellence Survey

Taking the Big Reset discussions as input, we created a survey, validated it with various EX leaders from large companies, and launched it into the market for four weeks in January and February, together with Perceptyx. More than 950 organizations globally participated across all industries, geographies, and company sizes. The full list of practices studied is in Appendix 1.

Analysis

As we analyzed responses, we did descriptive analysis, comparing favorability across various topics and practices, and by different demographics to determine perception of EX practices. We also did linear regression of the 83 practices against the business outcomes (financial performance and customer satisfaction), people outcomes (engagement and retention, a sense of belonging, and being a great place to work), and innovation outcomes (change adaptability and effective innovation), to determine the 15 practices that matter most.

Next, we clustered organizations into four groups based on their performance in the 15 practices to determine the four maturity levels. Thus, for every organization that participated in the study, we know what maturity level they are in. To determine the likelihood of outcomes (for example, excellent organizations are X times more likely to meet or exceed financial targets, compared with low-performing organizations), we identified what percentage of excellent organizations actually accomplished a specific outcome (top two box responses) and divided that by the percentage of low-performing organizations that accomplished a specific outcome (top two box responses).

Similarly, to determine the likelihood of a specific practice in a specific outcome (for example, companies that foster a culture of helping others are X times more likely to meet or exceed financial targets), we identified the percentage of organizations that deployed a specific practice and accomplished a specific outcome (top two box responses) and divided that by the percentage of those that didn't deploy that practice and accomplished a specific outcome (top two box responses).

Interviews

We conducted a number of validation and case study interviews to ensure the practices we identified through statistical research resonated with leaders and practitioners and to elicit case studies and examples. We presented draft study findings to the Big Reset working groups, EX leader webinars, and conference sessions, soliciting input from hundreds of EX and HR leaders.

Report Preparation

Based on all the input gathered, we prepared this report. It was also reviewed by several EX leaders of large successful global companies across different industries.

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