

# The Definitive Guide

## Employee Experience

### EXECUTIVE SUMMARY

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 becoming defined by *employee experience*: how your organization shapes the way people work and live, from productivity to flexibility, wellbeing, and everything in between.

The past 15 months were largely about survival: leaders focused on keeping companies afloat while dealing with a range of pandemic issues. Today, as countries and workplaces reopen—albeit at very different paces—the biggest economic crash in a century is rapidly becoming a huge upswing. Companies are being forced to transform, and leaders now need to help people adjust to greater change, enable them to deal with ambiguity, and support them to experiment and learn quickly. It's no wonder employee experience (EX) has shot to the top of management agendas.

To help you navigate this emerging and volatile environment, we've undertaken a major study on EX, commissioned by Microsoft, collecting input on 90 different practices. We heard from more than 950 organizations and conducted 15 in-depth interviews with HR and business leaders at companies such as Deutsche Telekom, IBM, Kraft Heinz, Microsoft, and Unilever. Our objective was to create *The Definitive Guide* to EX, with the following goals:

- **Creating** a standard definition of the term “employee experience”
- **Explaining**, through research and examples of excellence, why EX must be a critical focus for HR, IT, and business leaders
- **Identifying** which practices have the most significant impact on EX and overall business, innovation, and people outcomes
- **Offering** guidance on how organizations can improve EX and achieve excellence, driving better business outcomes

We found that winning the war for talent requires not just taking actions to optimize EX but truly placing people at the center of all decision-making. That's what makes this postpandemic period both challenging and exciting: EX isn't something you merely do; it needs to reflect the culture of your company.

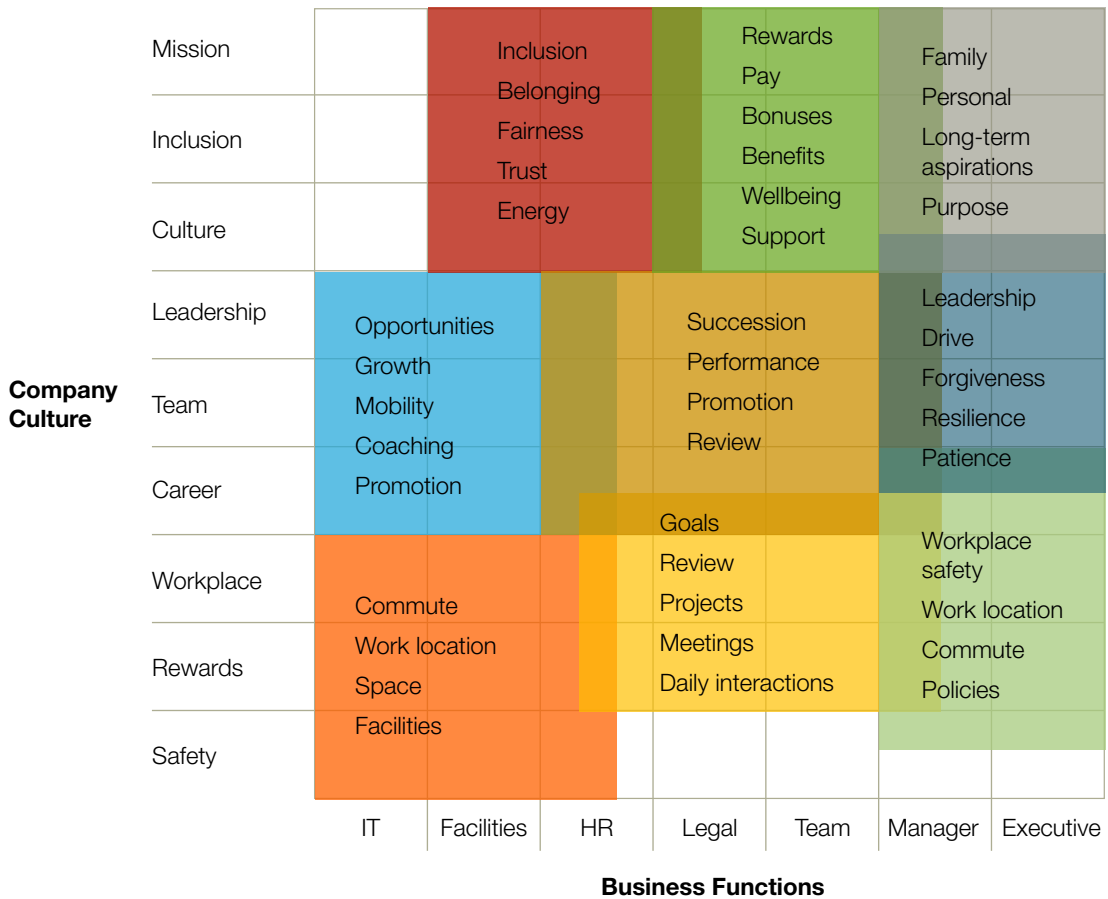
## What Leaders Need to Know

Even before the pandemic, the work environment was challenging. People felt overwhelmed and had little time to concentrate—let alone learn something new. When the COVID-19 crisis began and brought with it additional issues—having to juggle personal and professional responsibilities, all while worrying about the danger of illness—it simply compounded an already complex situation.

When it comes to EX, we expect a consumer-grade experience where everything is seamless and easy. And the topics that collectively make up that experience span all business functions and touch all issues of corporate culture. No one group or team can handle these alone. And if you don't cater to the needs of employees, they may just leave.

EX is much broader than just “engagement” and today sits at the center of the HR profession: HR

### EX Spans All Business Functions and Touches All Issues



Source: The Josh Bersin Company, 2021

departments at Adobe and Airbnb have even renamed themselves “Employee Experience.” EX is about the work we do, the teams we're on, our direct managers, and how they coach and support us. It's also about 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.

## The Irresistible Organization

### Meaningful Work



Job and values fit

Autonomy and agency

Agile teams and supportive coworkers

Time to focus, innovate, and recover

### Strong Management



Clear goals with stretch opportunities

Regular coaching and feedback

A focus on management development

Transparent, simple performance management

### Positive Workplace



Tools, processes, and systems to get work done productively

Appreciation, recognition, and rewards

Flexible hours and workspace

Inclusive, diverse, and a sense of belonging and community

### Health and Wellbeing



Safety and security in all aspects of work

Personal fitness, health, and physical-wellbeing support

Psychological and emotional wellbeing and support

Family and financial support

### Growth Opportunity



Open, facilitated job and role mobility

Career growth in multiple paths

Many forms of learning as needed

A culture that supports learning

### Trust in the Organization



Mission and purpose beyond financial goals

Transparency, empathy, and integrity of leadership

Continuous investment in people

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

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## Key Messages

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

No one single action will move you magically to a great EX. Best practices from other companies may not work for your organization, and there are 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, we set out to study all these areas, through our Irresistible Organization Framework. In an ideal world, you'd implement all six elements, 24 dimensions, and 83 practices and programs—and do all of them well. But do they all matter? Or are there some which *really* matter?

## Six Key Findings

Our research reveals six key findings common to organizations with superior EX. The first thing to note is the findings 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. Our six overarching findings are:

### 1

**Focus on trust, transparency, inclusion, and care.** Companies that do EX exceptionally well put their mission and purpose first. Trust is vital. 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 on to them.

### 2

**A supportive culture plays a big role.** By far, the biggest predictor of EX excellence is people helping others. That's what transforms EX from a top-down, us versus them, passive process of simply removing barriers to a smooth work day into an exercise in culture change.

### 3

**Innovation and sustainable growth depend on equitable rewards and building communities at work.** EX is sometimes used as a code word for pay and perks. 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.

### 4

**Consistent, mission-first people investments in any business climate improve business performance.** When money is tight, it's easy to clamp down on investments and a focus on culture. We found companies prioritizing investments in people, irrespective of the business environment, are much more profitable, have more satisfied customers and more engaged employees, and are perceived as great places to work.

### 5

**EX excellence directly leads to business outcomes.** Engagement is an important outcome of a great employee experience, but not the only one. There's no doubt more engaged people are happier, more productive, and provide better service to customers. But companies focusing on the right EX strategies and practices have better outcomes across the business, people, and innovation.

### 6

**HR capabilities and the right technologies are vital.** 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? The answer is HR capabilities and the right technologies.

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## Fifteen Essential Practices

So, what practices directly drive these six key findings? We identified fifteen practices drawn from four elements that have an outsize impact on business, people, and innovation outcomes. We call these “essentials” because without them very

little else will matter. And these essential practices work across all industries, geographies, and company sizes. 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.

## The Keys to Driving Superior EX

### Four Essential Elements

### Fifteen Essential Practices

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#### Trust in the Organization

Foster a culture of integrity and helping others.

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Embed mission and purpose as part of every activity.

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Inspire trust in leaders to be ethical and operate with integrity.

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Clearly communicate the mission and vision.

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Enable open, transparent, and honest leadership communication.

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Prioritize investment in people even when business is not good.

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Stand up for what’s right, even if it’s not popular.

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Encourage managers to help people tie their contributions to the mission.

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Operate under a people-first approach.

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See diversity, equity, and inclusion as a business priority.

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#### Positive Workplace

Use fair and equitable rewards and recognition programs.

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Support communities at work and a sense of belonging.

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Encourage employees to bring their authentic selves to work.

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#### Growth Opportunities

Encourage people to continuously develop, regardless of role.

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#### Strong Management

Use a clear, values-based management philosophy and model.

Source: The Josh Bersin Company, 2021

## The Employee Experience Maturity Model

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 the stages of evolution an organization goes through to reach high performance, enabling business leaders to understand their current state as well as the next set of skills, capabilities, tools, and systems to advance.

Organizations fall into four levels, with Level 1 being the least impactful and Level 4 being the

most. 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 its mission and empowering equitable growth.

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.

### The EX Maturity Model



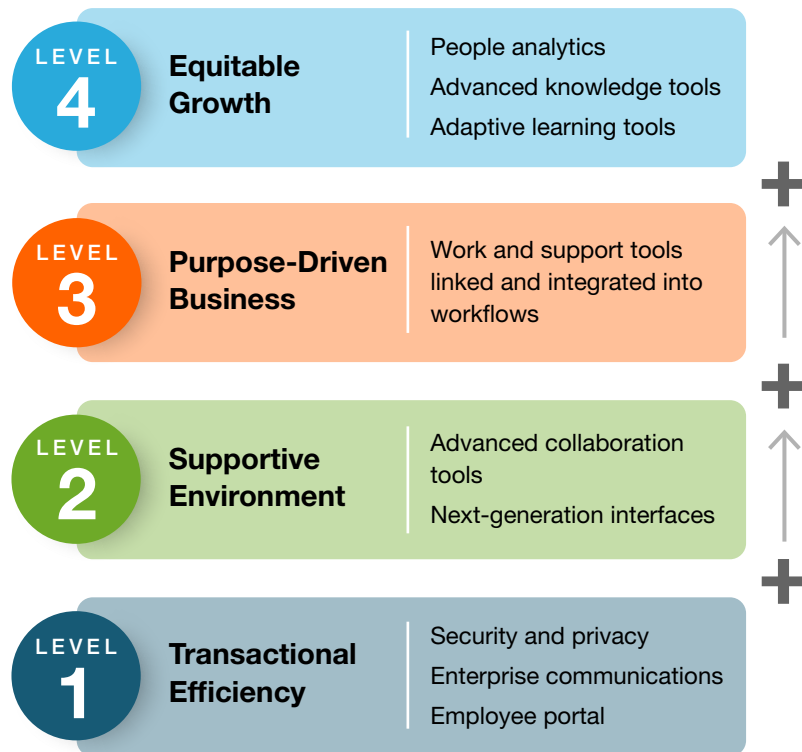
Source: The Josh Bersin Company, 2021

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## The Important Role of Technology

Without the right technologies, companies can't get insights into employee sentiment, provide personalized and relevant experiences and development opportunities, or support employees at scale.

### The Use of Technology and Its Correlation to Overall EX Maturity



Source: The Josh Bersin Company, 2021

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## Next Steps

Our [full report](#) provides actionable advice for leaders who want to start implementing the practices to drive employee experience excellence.

In addition, the report provides:

- ✓ The full discussion of why EX matters, especially now
- ✓ A complete analysis of our research findings
- ✓ A detailed explanation of the fifteen practices that matter most, as well as their impact on outcomes
- ✓ The characteristics at each of the four stages of our EX Maturity Model
- ✓ Step-by-step guidance for advancing through the levels of the EX Maturity Model
- ✓ A framework for excellence in EX
- ✓ A special section on the importance of technology
- ✓ Appendix: Includes a list of the practices that correlated to high performance and our complete study methodology
- ✓ Examples of excellence: True-life stories from **Adobe**, **Deutsche Telekom**, **IBM**, **Kraft Heinz**, and **Unilever**, which have implemented successful practices in EX