

Employee Experience Essentials

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December 3, 2018



Companies must cultivate an employee experience that resonates with the modern worker.

Thanks to years of stagnant employee engagement and escalating competition for talent, improving the employee experience (EX) became top of mind for talent management leaders.

"Employee experience and employee engagement are related, but the former is the means to the latter," says Denise Lee Yohn, author of *Fusion: How Integrating Brand and Culture Powers the World's Greatest Companies*. "Great experiences produce engaged employees. By carefully designing and managing employee experience, you produce strong employee engagement."

The concept of the employee experience is not new. By most accounts, the phrase hit the business landscape in 2015 when Airbnb appointed a global head of employee experience. According to research by Charles Rogel, senior consultant at DecisionWise, by November 2016, 1,850 people on LinkedIn used the term *employee experience* in their job title, and companies in every industry have EX roles in their HR structures, including the likes of Adidas, Facebook, and Harrods.

What exactly does EX mean?

Jacob Morgan, author of *The Employee Experience Advantage*, describes EX as the "combination of an organization's cultural, physical, and technological environments." Yohn takes it a step further, noting that EX is the "sum of everything an employee experiences"

throughout his or her connection to the organization—every employee interaction, from the first contact as a potential recruit to the last interaction after the end of employment."

In other words, this means bringing together all workplace, HR, and management practices that affect people on the job. Although organizations traditionally have addressed such issues as culture, rewards, learning, and career development as independent initiatives, Deloitte explains in its 2017 *Human Capital Trends* report that employees "look at everything that happens at work as an integrated experience that impacts daily life."

The talent development function is uniquely positioned to assist organizations in improving EX in a few critical areas: onboarding, performance management, and personalized learning.

A good start

One of the most important phases in an employee's experience is onboarding. Nonetheless, more than half of U.S. employees at organizations with more than 1,000 workers face broken onboarding processes, according to a recent study from Nintex, a workflow and content automation platform.

"Faulty onboarding starts new employees on the wrong foot," says Dan Stoll, technical product marketing manager at Nintex. This not only deflates morale and productivity, but it will likely "cause them to quit later on," he adds.

In fact, data from Jobvite reveal that almost 30 percent of new employees leave their jobs within 90 days. The number 1 reason for leaving is identified as unmet expectations. This supports data from Udemy's 2018 *Employee Experience Report*, which notes that two in three employees felt expected to show impact at a new job in less than three months. Further, the vast majority of respondents (79 percent) believe onboarding training can accelerate their time to productivity in a new job. Workers told Udemy they want substantive content around business processes, using productivity tools, and understanding each department's place in the organizational structure.

One company improving its employee experience by taking the long approach to onboarding is New York Community Bank. Its program requires employees to attend an orientation, but here's where NYCB diverges from most onboarding: Employees begin new-hire training on their second day and receive eight hours of training over the next seven days. The talent development team provides the new employees' managers with graded evaluations of their attendance, professionalism, participation, knowledge, and skills while attending class. If an employee needs further training, the evaluation recommends additional items that an experienced branch staff member can cover. The company also gives new hires access to a special online discussion board for their first 90 days of employment.

The result: NYCB reports that employees who were onboarded under the program have been able to perform their job duties at a pace that is 74 percent faster than previous new hires. "After completing the program, employees would arrive at their job location equipped with the

fundamental skills they needed to perform their day-to-day responsibilities," says Claudette Nunez, director of employee development and training.

Conversation, coaching, connection

A key piece to the EX puzzle is supervisors' effective performance management and communication. But a recent McKinsey global survey on performance management says most current systems and practices have no effect—or even a negative one—on company performance. Two-thirds of respondents reported the implementation of at least one meaningful modification. Case in point: Many companies are saying goodbye to the annual performance review.

McKinsey reports that 68 percent of respondents in its study agree that ongoing coaching and feedback conversations have a positive impact on individual performance. Increasing the frequency of informal performance conversations enables managers to provide more timely feedback to employees and adjust expectations.

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"Something as simple as on-going feedback, communication, and knowledge sharing among employees and executives can help to create a more positive experience and build a more successful employee-employer relationship," Morgan explains in his book.

Making performance feedback and conversations between managers and employees forward-looking instead of backward-looking is another strategy for improving the experience for employees. Assessing and discussing future performance provides managers and staff with a more accurate understanding of their abilities to meet future business needs and how to improve those abilities.

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"So, if organizations do nothing else to improve performance management," the McKinsey report concludes, "they should invest in managers' capabilities to communicate."

Personalized learning and career paths

Almost half of American workers ages 35 to 44 don't know what their career path should look like despite having been in the workforce for more than a decade, according to LinkedIn research. That lack of clarity may be because modern career moves rarely follow a line up the organizational chart. However, Deloitte notes that just 20 percent of employees feel that their companies give them the ability to actively develop themselves and chart new pathways.

"Today's employees want to develop and continually challenge themselves," Morgan writes. "Many organizations have found that their employees are hungry for ways to build their careers, not only to plan for the future but also to find new ways they can contribute in their current position."

Enter personalized, adaptive learning. Personalized learning provides instruction tailored to an

individual based on the learner's interests, experience, preferred learning methods, learning pace, job role, or other factors, while adaptive learning is a specific type of personalized learning that uses computer-based technology (including algorithms and artificial intelligence) to modify content to a learner's needs in real time.

"The traditional, one-size-fits-all approach to L&D will no longer cut it in the new work environment," says Jeff Freyermuth, a principal research analyst at Gartner. Fortunately, most workplaces already use personalized learning to at least some extent. For instance, Gartner notes that companies have invested in learning platforms to help employees personalize their learning paths by quickly locating content, registering for a course, or locating subject matter experts.

A variety of advancements in artificial intelligence, especially in machine learning, predictive analytics, and adaptive learning, can enhance personalization even further. This type of personalization goes beyond the simplistic "based on other activity, you might find this useful" to "here's something you can use to improve your skills or abilities."

Hewlett Packard Enterprise offers a prime example of leveraging personalized and adaptive learning to drive accelerated development. Adrian Stevens, vice president of learning and professional development, explains that research led the HPE team to a supplier that used artificial intelligence to deliver personalized learning, incorporating content that is designed for quick consumption like short videos, articles, and lectures.

"We want to encourage employees to take advantage of content to support their goal setting, their action plans, their personal development, and more," Stevens notes.

Where is EX today?

Deloitte's 2017 *Human Capital Trends* report notes that 80 percent of executives said launching a productive and positive employee experience was a major priority. Unfortunately, less than a quarter of executives reported that their companies are excellent at building a differentiated EX.

So, where do we stand a year later? According to Morgan's research, more organizations are investing in EX—and some of them are even getting it right.

His research finds that when organizations invested most heavily in EX, they were included 11.5 times as often in Glassdoor's Best Places to Work and listed 4.4 times as often in LinkedIn's list of North America's Most In-Demand Employers. These companies also were 28 times more often listed among *Fast Company's* Most Innovative Companies and noted 2.1 times as often on the *Forbes* list of the World's Most Innovative Companies.

What's more, data from the 2018 Employee Experience Index, created by the IBM Smarter Workforce Institute and the Globoforce WorkHuman Analytics and Research Institute, confirm the link between EX and a company's profitability. Organizations that score in the top 25

percent on EX see nearly three times the return on assets as those in the bottom quarter. The same group also reports having twice the return on sales, which is the efficiency at which organizations generate profits from revenues.

These findings confirm that talent development professionals need to remain steadfast in helping their organizations improve EX—an emerging source of sustained competitive advantage.