Employee Experience

How to Build an EX-Centric Organization

KENNEDYFITCH

Executive Search &
Management Consulting

How to Build an EX-Centric Organization

Our survey of 250+ companies and research on EX Pioneers, reveal a clear business case to transforming your business, designed around your customers and workforce.

Introduction
Disruptive forces in technology, demographics and science have changed the nature of work and shifted the power to consumers and employees. Organizations that successfully transform around the User Experience – for both Customers (CX) and Employees (EX) - will see above market growth, agility and innovation. This report is organized to help you build an EX-Centric organization where you work.

- Explore our infographic results
- Watch our video
- See our EX/CX Resources Page & register for a workshop
- Ask for help in creating EX where you work

Sections

1. Executive Summary

Business case and model for EX-Centric Organizations

1.1. The Customer and Employee Experience

We have seen breakthrough performance in companies in recent years that have re-built on the concept of Customer Experience (CX). Analytics and mobile technology have provided organizations with deeper insights into what drives behavior – what attracts customers, what makes them return, what makes them buy higher margin products, and most importantly, what makes them want to promote the company's products.

Multiple studies show that CX-Centric companies see significant growth vs. the competition, including research that shows organizations with high NPS ratings grow at twice the rate of their peers.

If this CX data is true, does the same apply to Employee Experience (EX)? Business leaders should be asking themselves three questions:

- What is the correlation between business results and Employee Experience (EX)?
- How is EX different from Engagement (which is steadily declining)?
- What does it take to weave EX into the fabric of an organization? Is there a common 'EX Playbook' that can be successfully applied in a variety of business situations?

To answer these questions, KennedyFitch launched a global study to understand how companies are approaching the EX. Over 250 companies worldwide responded to our recent online survey. Four out of five said EX is very important and nine out of 10 said it would become more important in the next 1-2 years. Only one in 10, however, felt their company had made significant progress developing EX. And many reported that lack of internal EX expertise is a big problem.

We interviewed another select group of companies that are further along in the EX journey, including GE and Airbnb; we refer to them as "EX Pioneers" throughout the study. We also looked at current publications – books and internet articles – to see what existing research could tell us.

To start, we found the following answers to the three questions mentioned above:

1. There is a clear business case and a correlation between EX and business results.
2. Engagement and EX come from two different worlds - they measure quite different things, come from different sources and have widely different applications.
3. Building an EX-Centric organization requires a complete Transformation in the way of thinking and operating. Most companies are in the early stages of learning what EX is and few understand what is required for implementation.

What we found in our research makes us believe that the movement to design CX and EX as part of a Disruptive Business Transformation is one of the most revolutionary and impactful actions a company can take. Let's dive a bit deeper into each of the three questions.

1.2. What is the EX Business Case?

Research[1] done recently by Jacob Morgan found the following comparisons of EX vs. non-EX companies:

- EX companies are 4.5x more frequently listed on Most Innovative Companies lists by Fast Company, Boston Consulting and Forbes, than non-EX companies
- 6x more frequently listed on Glassdoor's Best Places to Work, Fortune's 100 Best Companies for Millennials and LinkedIn's Most In Demand Employers
- 3x more frequently listed on Brand Z and Forbes' "Top Brand Value" companies
- 40x more frequently on the list of Exponential Organizations (companies whose impact is disproportionately large – 10x larger - vs. other organizations)
- 4.4x Average Profit vs. non-EX companies
- 2.9x Average Revenue per employee vs. non-EX companies
- 4.3x Profitability vs. non-EX companies

The shift to EX is rooted in a silent revolution taking place in organizations across the world as companies transition from treating humans as assets or "capital" (Engagement) to treating them as human beings (Employee Experience); from forcing them to submit to and work within certain processes and norms (managing assets) to understanding them and how they work best and designing solutions around their needs (individualization).

Tom Friedman, in a recent article succinctly describes how technology is making a huge impact as work is being disconnected from jobs, and jobs and work are being disconnected from companies, which are increasingly becoming platforms (moving from "owning" employees to "having access" to capabilities). This major shift from the traditional idea of 'We own talent', as reflected in the concepts of "Human Capital"' and "Talent Management" to: "We create an attractive platform for you to learn and do your best work."

EX and CX companies create platforms for Employees and Customers to individually experience their organization. The organizations that successfully do this will be the winners as the disruptive force of technology continues to shift the balance of power from companies to both consumers and employees.

1.3. What is the difference between Engagement and EX?

Engagement and EX come from two different universes. Engagement sprang out of the era of top-down, command and control management when management wanted to know if employees were content with current decisions and practices. Engagement surveys essentially ask: "Here's what we've decided to do, how happy are you with these decisions?"

Engagement surveys have often been long lists of things management decided to ask, with a quantitative rating. In the end, companies were 'guessing' if they were asking the right questions (why else ask 80-90 questions?). Moreover, Leadership Teams would only run the surveys every 1 or 2 years at most, and if it was a 'Bad Year' they would cancel the survey because 'We already know people are upset.' Imagine asking your customers for input once every year or two, and only when you know they're happy.

Multiple studies from leading engagement research companies (Gallup, AonHewitt, Hay, Mercer, WillisTowersWatson, Bersin) all confirm falling engagement scores over several decades. So it seems that focusing on engagement does not deliver any business value.

---

1) "The Employee Experience Advantage: How to Win the War for Talent by Giving Employees the Workspace They Want, They Tools They Need and Culture They Can Celebrate", Chapters 11 and 12, 2017.

EX and Engagement are built differently. EX is built on Design Thinking – where organizations watch and observe and continually ask employees open-ended qualitative questions e.g. "What matters most to you?" rather than guessing "Does X matter more or does Y?", when it might actually be "none of the above". EX Pioneers build and test prototypes of Employee Journeys. And similar to CX, also EX puts the Net Promoter Score in the mix.

Design thinking places the issues of the employee at the center of the problem-solving process and analyzes issues and solutions from her point of view, not the organization's. EX Pioneers then build and test prototypes of Employee Journeys to remove pain points and elevate the experience. To measure their success, EX Pioneers use business-centric metrics to measure their success, such as Net Promoter Score, EBIT, Profitability, Growth, and others. They avoid creating metrics that are not tied to business outcomes.

EX has a different goal. Jacob Morgan relates how EX is "really about building that connection and relationship with your employees and, in a sense, giving them a type of ownership to shape the organization they are working for." EX gets input on what matters to employees from a variety of sources outside of surveys including face-to-face interviews, focus groups, hackathons, instant feedback apps, and analytics. Together these paint a picture of what employees feel most strongly about, with emotion being a powerful window into behavior.

	Engagement	Employee Experience
Context:	"Here's what we did, how happy are you?" (top-down)	"How can you do your best work & connect with your purpose?" (bottom-up)
Foundations:	1920's industrial design - "What works best everywhere"	Design Thinking Analytics - "What works best here?"
Format:	Quantitative Multiple Choice, 80-100 questions, or subset in Pulse	Qualitative, a few open-ended questions
Frequency:	Once every 1-2 years, report to Senior Leadership Team	Continuous feedback, report to local team, team leader
Results:	Overall results falling	Tied to growth & performance

Fig. 1 - Engagement and EX comparison

Paul Davies, Head of EX at GE defines EX as "Enabling our people to do the best work of their lives through moments that matter". Cisco, Deloitte and LinkedIn have similar definitions. GE leverages concepts such as personas, design thinking, and storyboards as it curates EX. Paul says, "We don't go an hour without using one of these. We ask our employees, our people leaders and our candidates what matters most to them, we listen to their stories, listening especially for emotions."

Mark Levy, Head of EX at Airbnb since 2013, says they borrowed the idea from Disney that 'every frame matters' in telling employee stories. Cisco holds regular hackathons where employees give input on People processes.

Using all these ongoing insights, EX involves employees in the design and shape of the company, helps identify organizational strengths, and discovers the situations in which people learn and perform best. These insights are being used to restructure (remove silo's, layers and titles), trim processes, turn rules into employee judgment. All of which helps companies unlock new paths to faster growth, profitability and innovation.

1.4. How to build an EX-Centric Organization?

Our study of existing books and publications did not yield a standard definition of Employee Experience. Nor did it reveal an outline of the steps for designing the Employee Experience – a Playbook. Most importantly, we didn't find research that matched the depth of the Transformation that EX pioneers say is required to become an 'EX-Centric Organization'.

Our primary research therefore became a quest to 1) find a common definition, 2) discover an EX Playbook, and 3) understand the kind of Transformation required. Through interviews with more experienced EX Pioneers, we found that while there are some common elements in designing EX, the particular ingredients are refreshingly unique to their companies, because every culture and business context is unique. In Designing EX, it is not the "What" that matters (e.g. ticking the boxes of 17 or 21 precise EX elements), it is rather the "How". You need to learn to cook, but the best chefs go by taste, rather than by recipe. EX design is unique to each organization.

This is quite a radical departure from the past when large consultancies scanned hundreds of companies to distill the exact ingredients of 'good Talent Management' or 'Leadership', and sold assessments and maturity models.

Unique EX design means also that the definition of EX varies from company to company. Most organizations look holistically at Workforce (FTE's as well as contract, temporary or Agile workers). They look at everyone who interacts with the company from recruits to alumni. Most definitions talk about holistic end-to-end journeys and designing the best possible experiences for employees. The main point is that organizations are designing experiences around the employee rather than making employees fit to the organization.

We asked companies about the motives and challenges they have in building EX. Our 250+ Survey Respondents listed their top three most important reasons for building EX:

1. Business growth
2. Engagement
3. Creating competitive advantage

They listed their top four challenges as:

1. *Transforming the Culture* – Given the radical shift to an outside-in, bottom-up culture required for successful EX, companies recognize the need for an equally radical transformation.
2. *Leadership mindset* – EX pioneers emphasized that the CEO and leaders at all level must be on board for EX to succeed
3. *Complex Organization* – Simplification is one of the keys to making EX work
4. *Lack of internal expertise in building the Employee Experience* – given that most companies have never built EX, this is not a surprise. EX Pioneers report using Marketing, Design, Facilities experts.

EX Pioneers cite the top four keys to success

1. *Top leadership and CEO support* – EX touches so many parts of the organization, it needs sponsorship and complete support at the top
2. *The goal is to become a Disruptor* – EX Pioneers are convinced EX is a way to become disruptive and gain competitive advantage
3. *EX is the centerpiece of Cultural Transformation* – EX requires a complete transformation in the way of thinking and working
4. *Involve many functions outside HR* – EX is never an HR-only effort. EX Pioneers typically combine HR with Marketing, IT, Facilities, etc.
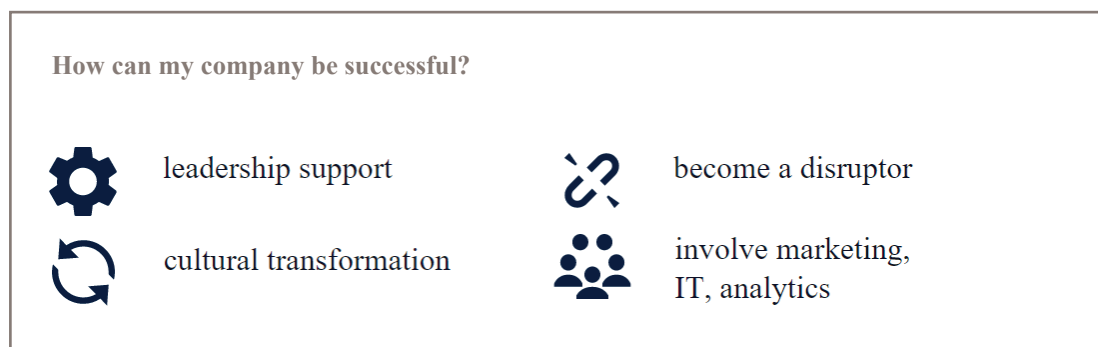
How can my company be successful?

⚙ leadership support   🔗 become a disruptor

🔄 cultural transformation   👥 involve marketing, IT, analytics

Fig. 2 – Key elements cited by EX Pioneers in building EX-Centric Organizations

1.5. Highlights

Here are a few highlights of what we learned from our interviews with EX Pioneers:

- EX Pioneers, e.g. ING, ABN AMRO, often start with CX. Customers are a good place to engage the CEO and senior leadership, who then pivot more naturally to seeing employees as customers (a big mindset change!), understanding what is meant by 'Experience', and looking more holistically at 'Workforce'

- EX Pioneers build a broad coalition of everyone who touches employees and culture and who may have CX expertise e.g. Marketing, Branding, Analytics, Real Estate, IT, Design, etc. This coalition ensures EX and CX are aligned and that EX is not an HR-only focus (AirBnB, ING, GE, ABN Amro are examples).

- EX Pioneers make CX and EX the centerpiece of their Cultural Transformation as they design everything around customer and employee drivers. This has huge impact on redesign of everything from workspace (Maxis, GE, Samsung, Schneider Electric and many others), to digital space (custom apps at GE, ABN AMRO, Maxis, ING, etc.), and to findings ways to simplify/improve processes and give judgment and decision-making back to employees, (hackathons at Cisco, LinkedIn, and Facebook).

- CEO's of EX Pioneers often have a stated goal to become Disrupters as the target outcome of their Transformation. Ralph Hamers at ING and Morten Lundal at Maxis are two CEO's who made 'disruption' their objective.

- CEO's of the more progressive and successful EX Pioneers, e.g. Adobe and Airbnb, promote EX and CX because of the potential for strong business outcomes. EX Pioneers emphasize that it is a non-starter if the CEO isn't in the lead and driving key changes. Companies we interviewed who struggled to implement EX and CX did so because they lacked CEO support and sponsorship.

- Successful EX companies design around customer and workforce, and transform to out-side in, bottom-up thinking. They become more agile and innovative. They adapt and simplify processes and decision-making in response to new customer and employee insights. EX and CX Pioneers become flatter, less hierarchical.

- EX pioneers e.g. Google, LinkedIn, ING and Intel borrow heavily from Design Thinking. They begin by listening on multiple channels: observing, interviewing, using feedback tools and hackathons. Then, they identify holistic journeys with the help of employees, listening for feelings and emotion, developing personas, and designing experiences. Every development is vetted, tested and prototyped, and ultimately it is folded into a Digital People Strategy (see Figure 9).

- EX (just like CX) is designed around a series of questions to get at feelings and behaviors that build on predictive data (e.g. "Why do our top performers join or leave? Why do our expats leave? Why do some teams outperform the rest?").

- EX Pioneers are constantly testing what they roll out and are quick to implement feedback. Just like any innovation, the new apps or programs are rigorously redesigned many times.

- EX and CX companies are "insanely" data-driven; they borrow, buy or build analytics capabilities to collect and interpret data. They build seamless and borderless connections between different data-intensive parts of the company, and they seek to integrate and connect a wide variety of data points

- Hot new role - Many EX Pioneers have created a new role, the 'Head of EX'. There are only about 100 Heads of EX today, and new Head of EX positions are being created all the time. Some report into non-HR roles e.g. Digital Transformation (Schneider-Electric, ING). Some are Engagement managers with a new title and re-purposed job description. In some cases, like Airbnb and Adobe, the CHRO role is being replaced by the Head of Employee Experience. We believe that this is the way of the future.

- The lines disappear between HR and Marketing as they start sharing a common responsibility for both their internal and external brand (Adobe and others have one person who is Head of EX and CX, replacing the CHRO). But it doesn't stop there – EX Pioneers have Marketing, Design, Facilities Management and Analytics roles in their EX Teams.

- Talent, Learning, Recruiting, etc. realign to reflect holistic journeys. Key processes also are radically redesigned e.g. Performance Management (more ongoing development focus), Learning (bite-sized, Just-in-time), etc.

1.6. Sample of EX Pioneer Business cases

In our interviews with EX Pioneers, we discovered that companies have many different business cases for investing in the Employee Experience. Here are a few prime examples from companies we interviewed:

- <u>Scaling Culture for growth</u> - Airbnb CEO Brian Chesky was adamant about scaling their Culture. In 2016, when new EX Head Mark Levy brought together the groups touching Culture (Recruiting, Events, Facilities, Real Estate, Design, etc.) to create an End-to-End journey for employees as they had done for customers, Brian was ecstatic because 'it wasn't HR!' Airbnb has used EX to change the way they interview, to judge whether someone is joining for the right reason, assessing how they fit with Airbnb values, and their approach to life and work.

- <u>Regain Market Share and Competitive Advantage</u> - Maxis was the largest, most successful Telecom company in Malaysia but was in danger of losing their market position to disruptive startups with leaner, better business models. They used EX as a primary way to accelerate growth and build their way back to competitive advantage. Along the way, Maxis flattened from 51 job grades to 4, removing titles along the way. Maxis not only restructured the org chart, it restructured the office space:

- <u>Integrate 2 distinct Cultures</u> - Startup LearnVest, a disruptor in the financial planning space, helps thousands of households take control of their money by joining powerful technology with affordable, accessible and unbiased financial advice. It was bought by 140 year old Northwestern Mutual in 2015, who saw the EX concept in LearnVest as the key differentiator for growing and transforming their business. .

- <u>Digital Strategy</u> – ING began their journey with CEO Ralph Hamers declaring to his business leaders: "Become Disrupters before someone disrupts you". ING developed a clear Digital Strategy for their CX and saw the need to do the same with their Employees to complete their Transformation. EX grew organically with Marketing and Product Management and still sits in different parts of the business outside HR.

- <u>Raise Productivity</u> - GE recognized that EX was a pathway to improving productivity and getting the best out of their people. Paul Davies, GE's Head of EX, spent his first 100 days visiting other companies e.g. Airbnb, Disney, Deloitte and Brooklyn Navy Yards, and saw that everyone is doing EX differently, according to what makes sense for them. At GE, they focused on designing the digital and physical space as well as the Culture, putting

the employees at the center of what the company does. Paul has a small team and leverages teams from Digital Technology and Workplace Solutions as well as a team of data scientists.

- <u>Restructure under new business model</u> – ABN AMRO's Head of EX, Frank van den Brink says EX and Digital HR are keys to success in their 4 'Must Win Battles'. Frank and his team have used insights from EX and CX to do away with traditional HR and build a new operating model, based on the five personas and the Employee Journeys they designed.

- <u>Personalization at Scale</u> – Tom Stachura is IBM's Head of Talent Solutions and People Analytics. For the past two years, Tom has shaped a strategy which uses a mix of advanced analytics, talent, design and functional professionals' expertise to help build insights around three main personas (IBMer, Manager and Upline Leader) to drive 'Personalization at Scale'. This strategy evolved from one question, 'How do we give thousands of managers visibility into insights that will lead to better team outcomes and align with IBM's enterprise People Strategy?

- <u>Start with Why</u> – The World Food Program is the UN's agency seeking to relieve hunger for tens of million of people. As CHRO, Prerana Issar works with thousands of workers, many of them single mothers, who leave home for months at a time to go into war zones. Wherever she goes, she makes it a point to ask "Why did you join the WFP?" Prerana emphasizes that it is the role of the manager to help re-connect people to their purpose and amplify the good reasons why they come to work.

Why build EX?

Scale culture

CEO of Airbnb insisted on scaling culture, building EX enabled them to do it.

Increase productivity

GE recognized that EX is the best way to enable all to do the best work of their lives.

Regain market share & build a competitive advantage

3 years ago Maxis' market share was in decline, after restructuring their organization around EX they are out-performing all competitors.

Transform HR

ABN Amro uses insights from EX and CX to radically change their structure and processes and become more responsive to the market.

Build a digital strategy

ING first developed their DS for customers and then extended it to employees.

Integrate 2 distinct cultures

Start-up LearnVest utilized EX to integrate its and Northwestern Mutual's cultures during its acquisition.

Start with why

World Food Program seek to understand volunteers' motivation in order to maximize world-wide impact.

Personalize at scale

IBM's data analytics and personas guide managers to make better decisions for employees.

Fig. 3 – Sample of EX business cases from our interviews

The following Report gives you a Playbook for building an EX-Centric Organization, help you understand key concepts and offer practical examples from 8 EX Pioneers.

Employee Experience

How 267 companies think about and use EX
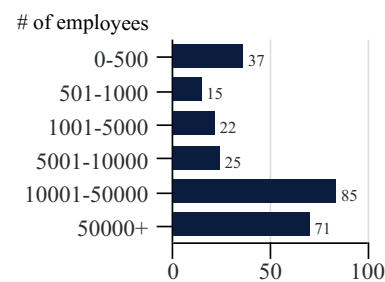
Fig. 4 – Highlights of our global EX Study

EX around the world

250+

We gathered insights from 267 companies world-wide to discover how they are utilizing EX.

We spoke with companies of all sizes.

# of employees

0-500	37
501-1000	15
1001-5000	22
5001-10000	25
10001-50000	85
50000+	71

What did they say?

78%
responded that building EX is important, very important, or extremely important for their organization.

EX Leadership Org

reports to CHRO	
Talent COE	
Engagement	
Org development	
Other	
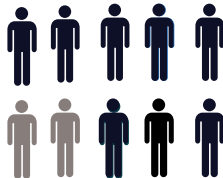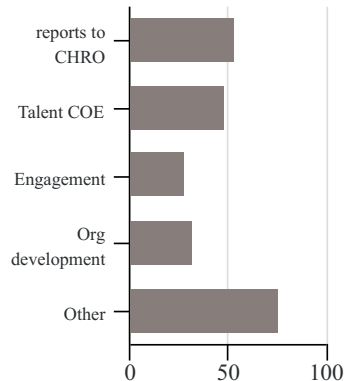
89%

reported that EX will increase in importance within their organization in the next 1-2 years.
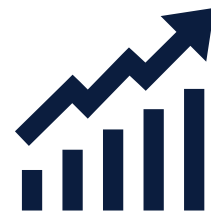
Only 14%

stated that their digital people strategy and EX are fully integrated.

The 3 highest rated reasons why EX is critical to their organizations are:

$ Business growth

Engagement

Competitive advantage

Most popular

data offerings are feedback apps (24%), feedback apps with AI (6%), and SaaS tools (18%).

2. Full Report

Results of our Global EX Study

Detailed findings from our survey of 250+ companies and interviews with EX Pioneers.

2.1. How we set up our study

Because the concept and practice of EX are so new, we divided our research target audience into 2 groups: 1) all companies, regardless of whether they have begun the journey to build EX, and 2) "EX Pioneers" who are further along and can tell us more of 'how they did it' and what business problems EX design helped to solve.

Group 1 – HR leaders of 257 global companies responded to our online survey, across all geographies and across industries. We asked this group to indicate how important EX is and whether its importance is increasing. We asked them to give us an idea of how they think about EX challenges, ways of gathering feedback, and the impact on Digital People Strategy and organization e.g. new HR roles.

Group 2 – a small set of companies of various sizes and industries where we found the title 'Head of Employee Experience' or similar. We felt this title indicated that the company had evolved to a more advanced stage of commitment, thinking, and design compared to most companies. Of this group, we selected a few with compelling stories to share in this report. We were interested to understand why they embarked on this journey of developing EX, what business problems they solved, how they did it (the kind of Transformation involved and the steps they followed), what they found most impactful, and what advice they would give to others.

EX Pioneers we chose to feature in our research results are:

Airbnb
ING
Maxis
LearnVest
ABN AMRO
GE
IBM
WFP

2.2. What companies told us about the current and future importance of EX

Our first set of survey questions sought to understand how important Employee Experience is to companies today.

We found that 78% of HR leaders believe that EX is important or very important to their organization and that 89% believe that EX will become more important in the next 1-2 years. These responses are independent of company size – whether they have 500 or 50,000+ employees. No correlation exists between location headquarters and perceived EX importance in the next 1-2 years, evidenced by a p-value of .92. Similarly, no correlation exists between company size and EX importance in the next one to two years. This disproves assumptions that "only big companies care about EX" or "only North American companies are thinking about EX."

While many companies state the importance of EX, relatively few have established EX practices. Only 6% reported 'significant progress' and only 15% have a definition of EX for their company. Many companies we have interviewed in the past 3 months have cited EX as high on their 2018 priorities and are discussing plans for building EX in their global HR meetings.

Respondents ranked the most important reasons for building EX as follows:
1. Business growth
2. Engagement
3. Creating competitive advantage
4. Productivity
5. Profitability
6. Successful Business Transformation
7. Building a Customer-centric HR

2.3. What companies say about how they create EX-Centric organizations

Companies who have created EX-Centric Organizations say that creating EX/CX has opened up new pathways to performance and that this is radically different from anything they've seen in the past. The move to EX/CX represents the coming together of several key emerging elements: Digitalization, Analytics, Design Thinking and Behavioral Science. In our research and interviews with EX leaders, here are the most common key elements of EX:

•   **It starts with people:** All CX/EX design is concerned with people as human beings, not as assets or capital. It begins with asking: What insights can we create about the situations where we do our best work, how we learn, how we innovate and solve problems, how our work balances with our life outside work, etc.

•   **Complete Transformation:** All EX Pioneers speak of a radical Transformation where there is a completely new mindset and way of doing things, shifting to outside-in thinking, and organizations designed around the Employee, mirroring what is being done for customers.

•   **Broad Target Audience:** EX Pioneers explore the experiences people have both inside and outside the company – both those that are hired and those that are not, those that are full time employees and 'agile talent' e.g. contract or part-time, as well as consultants. Alumni are also included.

•   **Pay attention to journeys, not just touch points:** EX like its twin, CX, takes a more holistic view of all the interactions or 'journeys' an employee or customer has with a company or brand. These journeys include but are not limited to 'Moments that matter'. Research shows that customers may score the overall journey somewhat lower than individual touch points.

•   **Unique EX definition:** Every EX Pioneer we spoke with had their own unique definition for Employee Experience. GE's Head of EX, Paul Davies, defines it as "enabling our people to do the best work of their lives through moments that matter". Airbnb's Mark Levy defines EX as "understanding the end to end employee journey'. A sample of other EX definitions is found below.

•   **Broad awareness:** EX companies recognize that people "bring their work home and their home to work", that employees are having babies, are grieving lost family members, and going through other life experiences while they experience work. This is leading to new, more humane policies and ways of working.

•   **Stages to design:** Rather than a specific recipe or checklist, EX Pioneers went through several stages, based on Design Thinking, to build EX-Centric Organizations, typically 1) Multi-channel listening, 2) Identify holistic journeys, 3) Listen for emotion, 4) Create personas, 5) Design experiences, 6) Test and prototype, and 7) Create and launch Digital People Strategy.

- **Emotional Insights:** Companies historically gathered quantitative data on employees and customers. Both EX and CX seek to understand the feelings or emotions that employees and customers experience in their journeys. These emotions give far more insight into behavior and performance than typical quantitative engagement measures.

- **3 key new Capabilities:** To effectively design EX-Centric Organizations, people need to have an understanding of and the ability to apply 1) Design Thinking, 2) Cognitive and Advanced Analytics, and 3) Behavior Science – specifically, what intrinsically motivates people.

- **New organization structure:** EX Pioneers Airbnb, Maxis, ING and ABN AMRO have completely changed the org structure and working relationship for HR and other functions. HR now works closely with or includes Design, Facilities, Branding, Digital/IT, Analytics, and coordinates with CX. The classic Ulrich CoE model has been replaced. At Adobe, Airbnb and ABN AMRO, HR itself has been replaced by EX and all roles have been reshaped and repurposed around EX activities

- **Simplification and re-design of process and policy:** EX Pioneers shift from thinking like 'parents' to treating employees like adults. They simplify processes, let people exercise judgment, and radically re-design Performance Management, Learning, etc.

- **Physical/Virtual Space + Culture:** Some EX Pioneers follow the findings of Jacob Morgan who says that EX is the physical/virtual space and the culture we design around employees. While these may have some importance, consider NGO's and non-profit firms that are extremely purpose-driven, often have very basic space and little or no technology (e.g. in field offices), yet their people can be very internally motivated and will say they have an amazing experience.

- **New KPI's:** Most of the EX leaders we interviewed still watch the direction of Engagement scores, but most have developed new measures directly linked to EX, and most prefer using existing business performance indicators, such as revenue, EBIT, and market share.

2.4. How companies define EX

Within the 15% of respondents who do have an EX definition, there are many definitions in use and no two are exactly alike. However, we believe there are some similarities.

Most definitions involve scaling design of the organization around the employee to ensure the best possible experience. Some add to this, that their purpose is to 'enable best work possible'. They also mentioned holistic journeys, and providing experiences that would increase innovation, development, performance and improve the customer experience.

Here is a sample of EX definitions companies shared with us in our study:

"Create a culture that attracts talent and retains highly engaged employees, which in return offer an extraordinary customer experience to our high end and highly demanding customers."

"How the associate lives things in and outside the company."

"In all we do, we start with people. Each moment that matters in an individual's relation with the Group, from recruitment all the way to the exit dialog, is designed around our people – employees, managers and HR professionals – with 'simplicity' and 'user-friendly' as guiding stars."

"A person's feelings and responses based on their interactions with our organization during the entire journey."
"The way our people relate, connect, identify and interact with the organization leading to optimal engagement, collaboration, free flow of energy & ideas, high wellbeing, and a sense of purpose."

"Creating a platform for personal development and creative self-expression."

Some of the things we noted are that the definitions have to do with feelings – how someone connects emotionally with their employer. They talk about employees the way you would hope to hear them talk about customers, and the thoughts are qualitative rather than numerical. This is significant as understanding emotional responses is key to predicting behavior.

2.5. How companies are gathering EX insights

Data analytics and feedback tools are becoming increasingly popular within the HR technology space. Despite the technological advances however, it is interesting to note that many companies rely on traditional methods of feedback such as surveys and one-on-one conversations. When asked about how companies get input to understand the employee experience, they listed the following feedback methods:
1.   Surveys
2.   Face-to-face interviews
3.   Focus Groups
4.   Feedback apps
5.   Hackathons

Although some companies reported innovative ways to gather feedback, such as hosting hackathons or breakathons, the first three responses are four to five times more common than the last two. In our interviews with EX pioneers, we found that all of them use multiple channels or more than one of the previously mentioned means of feedback.

EX Pioneers we spoke to also invest time observing people firsthand and interviewing them in different journeys e.g., interviewing candidates about their recruiting experience, talking with recent hires about on-boarding, and asking experienced employees about learning, development, and their employee-manager relationships.

Leading EX companies have integrated new strategies to gather employee feedback. Some of methods they reported using included:
1.   Design thinking methodology
2.   Value stream mappings
3.   Kaizen sessions
4.   Yammer and other online communication tools
5.   Glassdoor
6.   Custom-made online tools

The first three methods still rely on human vs. digital interaction. Yet, every item in the list above has one thing in common: they rely on continuous collection of data so leaders can make small, continuous improvements. This way, leaders are always connected to employees, and can better respond to their pain points.

When we asked how companies measure the success of EX, 76% of respondents say they use 'engagement' as a key indicator. Only 26% use Net Promoter Score. Of the EX Pioneers we interviewed, most use engagement as an indicator but they prefer other KPI's such as NPS and retention of top talent, EBIT, net profit, or market share. This suggests that EX is emerging as a strategy to achieve business outcomes in more mature companies.

2.6. Insights about building EX

We asked companies in our survey about the insights they had gained about building EX. Here are some of the views they shared:

"Put the employee at the center of your design thinking."

"Changing the mindset driven by company culture is the biggest challenge."

"The 'War' for talent starts with employee experience creation. Technological, environmental, and cultural changes need to be addressed with a consistent value proposition for employees and candidates."

"The fact that happy employees make happy customers."

"It's not just about driving engagement through short-term initiatives."

"We realized that without a structured employee experience evaluation we lack the conditions to ensure our employees ' success."

"Technology cannot substitute the human touch. No matter how digital we become, the human element is still vital."

Survey respondents told us how they rank the most challenging issues they face while building EX:

1. Transforming the Culture – given the radical shift to an outside-in, bottom-up culture required for successful EX, companies will need an equally radical transformation.
2. Leadership mindset – EX pioneers emphasized that the CEO and leaders at all levels must be on board for EX to succeed
3. Complex Organization – simplification is one of the keys to making EX work
4. Lack of internal expertise in building the Employee Experience – given that most companies have never built EX, this is not a surprise. EX Pioneers report building coalitions and working with internal Marketing, Design, and Facilities experts, often making them permanent team members.
5. Limited Budget – We encourage organizations who want to move forward to pilot and test EX on a smaller scale and to look at the numerous examples both here in this report, and in the market, for how to do EX on a limited budget.
6. Other – Most comments reflected the same thoughts of the first five challenges. One mentioned the 'difficulty in convincing top management that employees are as important as customers'.

These challenges match closely the top issues we heard from the EX pioneers we interviewed. Each one discussed how critical undertaking a cultural transformation is to build EX. Most organizations are hierarchical, top-down, and one-way in communications and decision-making, which does not foster a strong EX implementation and requires immense effort to change.

2.7. Digital People Strategy

There is a lot of confusion over the terms 'Digitization' and 'Digitalization'. Digitization is the act of taking something analog and creating an E-version that is not necessarily interactive. It is uploading your paper records to an online system, often for compliance reasons or to manage compensation, headcount, etc. HRIT sitting on SaaS is Digitization.

Digitalization on the other hand is a completely new business model built on digital interaction – Friedman's 'Platform' for work. And it is completely mobile. With the current percent of 'Agile' (non FTE) workforce at 30-40% and expected

KENNEDYFITCH

to rise, companies will have even more reason to build a Digital People Strategy to provide a digital platform for EX.

In our study, we found that EX and CX are central to a company's Digital Strategy since they essentially define what the new organization looks like and inform how it operates. ING is a good example of a company that embarked on creating a Digital Strategy and then placed CX and EX at the center of what they implemented.

We asked HR leaders in our study how EX fits within their Digital People Strategy. Only a small percentage have EX that is full integrated with their Digital People Strategy. Here is how survey participants responded to the question 'How does EX fit within your Digital People Strategy?:

- 29% 'We do not have a Digital People Strategy'
- 26% 'It is not yet integrated'
- 25% 'We are still determining how it fits'
- 13% 'It is fully integrated and central to our Digital People Strategy'
- 7% 'Not at all'

Respondents rated the impact and influence of EX on their overall organization and people strategy. 45% rated the impact as 'High' or 'Very high.' That percent rose to 87%, when matched with those who have EX that is 'fully integrated and central to our Digital People Strategy'.

We asked respondents to tell us about the Digital offerings they have built or acquired to support EX in their organization. Digital tools provide powerful insight into an employee's experience when properly utilized. The best digital tools create a strong connection between employees and leaders, develop greater understanding, and offer fast, tailored employee solutions. The tools can be categorized in 4 ways, with the most common answers listed underneath:

Feedback Apps
- Yammer
- CultureAmp
- Pulse survey
- PEARL app
- Recognition and reward app

Feedback Apps with AI
- Netguru
- Feedme
- Impraise
- TINYPulse
- Perkfec
- Custom

Feedback other
- Workday
- Globofirze
- CEB
- Successfactor
- Concludis
- Service Now
- CSOD

Feedback
- Facebook at Work
- Bedderx
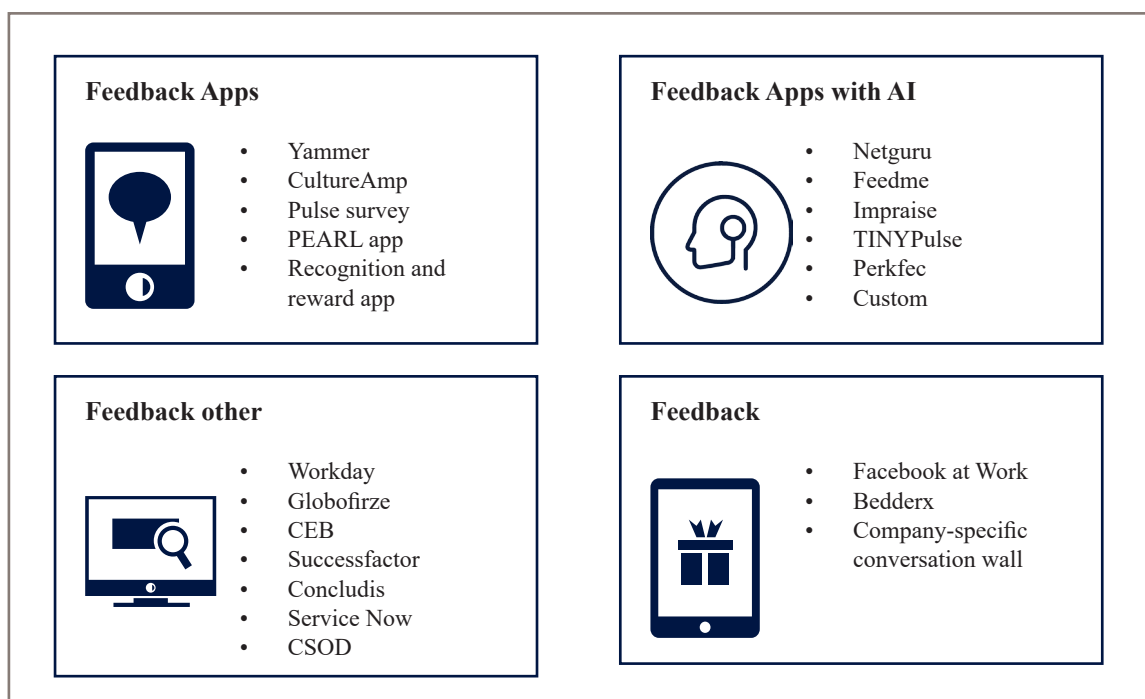- Company-specific conversation wall

Fig. 5 – Digital Tools

Most of us feel some kind of dread as we go from sleek, easy to use consumer-grade apps to the tools we use in the workplace. EX Pioneers e.g. GE, Maxis, LearnVest, ABN AMRO, IBM, have developed their own apps. The majority of these apps fall into 2 categories: 1) tools that provide information to help people connect with others and learn about the company as they onboard, and 2) tools that give people frequent and ongoing feedback on development and performance, with an emphasis on how to improve the next time, as opposed to only looking backward.

Lina Stern, the Head of Employee Experience at LearnVest designed a new onboarding program that sits in Slack with video and links. The content is 100% crowd-sourced from people who recently joined the company. Virtual reality is included. New employees are set up with a production manager to create their own onboarding YouTube video. User acceptance is very high - newcomers and existing employees use it a lot and say it contributes well to their development.

We asked respondents to tell us what they are learning about their use of digital tools – what works particularly well. Typical responses included:

- Apps that can be on a Smartphone
- Capability to provide immediate feedback
- Adaptability to different user segments
- Simple user interface, easy to use, integrates with daily work
- Easy, intuitive, simple, fun and works like a consumer app
- Easy, multilingual, more icons/fewer pictures, will a 12-year-old want to use it?

2.8. Changes for the organization and HR

Companies we interviewed reported the following main changes to their organization and to their HR function, as they became EX-Centric:

1. Flatter, less hierarchical – EX Pioneers and others in the journey to build EX reduced layers and attempted to shorten the distance between senior management and the customer.
2. CHRO role becomes Head of EX – the Head of EX at Airbnb, Adobe, and other EX Pioneers took over the CHRO role. At Adobe, Donna Morris is EVP of Employee and Customer Experience.
3. Teams become more agile across several functions – HR, IT and Marketing teams find it easier to work across functional boundaries on different EX projects e.g. creating Digital strategy at ING, Culture building events at Airbnb.
4. HR is more integrated with other functions, especially Marketing, IT, Design and Facilities departments. Airbnb and GE report working with these other functions even if they don't have a solid line reporting relationship.

Here is where our respondents told us the EX role sits in the organization:
- 20% Reports to the CHRO (e.g. GE, IBM, Qualcomm)
- 19% Part of the Talent CoE
- 12% Part of Organization Development
- 11% Part of Employee Engagement

We found that EX Pioneers form new teams according to need with clusters of new kinds of expertise. IBM has a team of cognitive and advanced analytics professionals who work directly with talent executives, functional experts and designers to create integrated solutions aimed at enabling key personas. IBM measures Net Promoter Score (NPS) on these solutions while also tracking ROI. They have been able to track hundreds of millions in auditable benefits to the company.

Other EX Pioneers report they are partnering with IT, Design, YouTube production teams, Facilities and Branding. CoE leaders are being rebranded as Product Managers (ABN AMRO). In many EX Pioneer organizations, HR thinks and operates more like Marketing. The key feature is less centrally driven, top-down programs and much more input and feedback that is analyzed, fed back, tested and customized for use.

EX Pioneers say bite-sized Learning is an outgrowth of this new thinking. They are doing less 'sheep dip' learning where everyone goes through a program, in favor of learning that is more targeted and offered online in small segments, to be accessed while working on the job. Organizations are helping exemplary teams, leaders and technical experts produce their own YouTube videos on 'What works here', rather than relying on outside trainers with little knowledge of the culture.

Performance Management and Career Development are other targets for re-design. EX Pioneers report they have shifted the emphasis from past to future, from performance to development. The support and training they offer is on giving frequent feedback that involves more questions, helping the employee develop their own insights and helping evaluate 'what works' and what they want to do differently, with a greater emphasis on development and learning on the job.

Survey respondents recorded insights they gained throughout their EX implementation process. Here are some of the most prevalent comments:
- "We need to work together with other departments to have a successful EX strategy and implementation."
- "It's not just about driving engagement through short term initiatives; it needs to be at the heart of your organization."
- "Put the employee at the center of your design thinking."
- "Complex organizations are too slow, too hard to navigate, and do not provide enough employee recognition. We need to be more agile to be better for customers and employees."

2.9. Business Impact

The 250+ companies in our survey told us that they experience 4 main results as they transform around CX and EX:
1. They leverage organizational strengths
2. They gain competitive advantage
3. They had saw a more integrated CX and EX
4. They developed a cohesive digital strategy
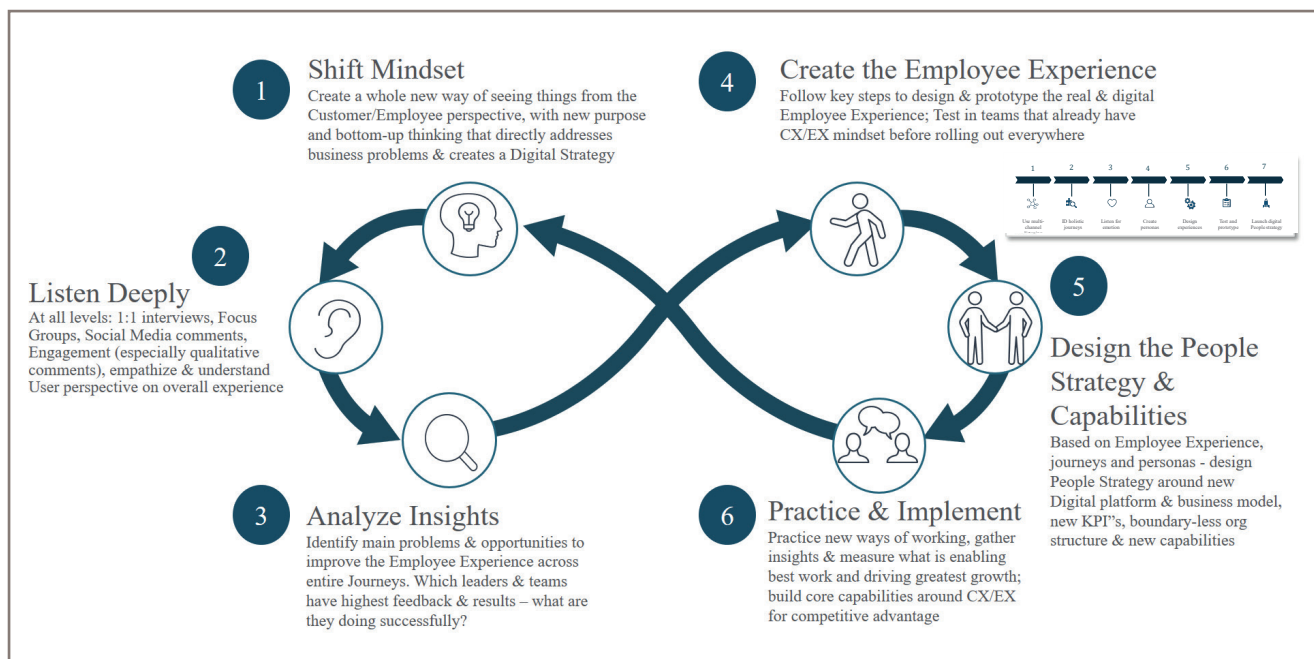
3. Transformation & The EX Playbook

Fig. 6 - What a Transformation looks like to build an EX-Centric Organization

In this section, we will share insights from EX Pioneers into how they designed and implemented EX in their organizations. From our EX research, we have found that the key to success is to design EX as part of a radical Transformation to become an EX-Centric Organization (see fig. 9). EX and CX will both not work unless the organization, and especially leadership, change mindset and way of working to a bottom-up, outside-in approach. The goal of EX is to design the Culture of the organization around how individuals and teams perform best, rather than the traditional approach of making people adapt to the organization.

Before you get started with the EX Playbook, it will be important to first go through three important steps in what we call the 'Transformation to Create an EX-Centric Organization':

1. Shift Mindset
2. Listen Deeply
3. Analyze Insights.

3.1. Shift Mindset

Because Building an EX-Centric Organization is so critical to your company's business success, and because the Transformation impacts potentially the entire business, you will want to make sure you address the Leadership Mindset in your organization. This was one of the most frequently mentioned issues by EX Pioneers and was high on the issues ranked in our survey.

EX Pioneers who have seen the greatest success sometimes started with a non traditional approach to solving problems that didn't necessarily involve HR. In some cases we studied, HR wasn't involved at all in the beginning. This helped those involved to free themselves from biases and old thinking.

Mark Levy of Airbnb, was one of the first to build EX. His goal (from his CEO) was to 'not screw up the culture', so he gathered together a coalition of those who had any influence on culture and people, including Marketing, Real Estate, Facilities, Design, Cultural Events, Cultural Events and Recruiting (who were reporting into business leaders) and made them part of his team (without formal reporting relationships). His CEO liked it because it 'wasn't HR.'

The act of building a coalition across functions has several important effects: it helps ensure that EX is an Organizational Transformation and not an HR-only focus. A coalition helps create broader business buy-in. It also brings critical fresh thinking (especially when it is CX-centered) into how an organization is designed around its people as customers. These coalitions guide the Transformation and stay on to lead CX and EX long afterwards.

Another who did it this way was Nina Maldonado who was part of the Digital Transformation at ING. She put together a team of non-HR people to create first CX and then EX. EX came under the Digital Transformation and not HR.

Successful EX Pioneers typically have a CEO and leadership team that are already predisposed to more radical change, typically in relation to a Digital Transformation or building CX. They see the disruption in their industries and are willing to take action. Some CEO's see the dangers in the market and will want to make the shift to outside-in thinking. ING CEO Ralph Hamer challenged his leadership to: "Disrupt, before someone disrupts you." Building a CX and EX-Centric Organization was core to ING's Transformation as a Disrupter.'

Because CX and EX are so new, most leaders are not fully aware of the drastic difference in business model. They need exposure to how this works in EX Pioneer companies. It is our hope that the examples and cases in this report can help leaders understand how disruptive this shift really is. As with most big changes, exposure to new ways of thinking is crucial. We strongly encourage firsthand contact with other EX-Centric organizations and business leaders to learn more about the new mindset associated with EX.

But what if your CEO isn't calling for a Transformation and doesn't yet see how EX is key? Here are several suggestions from EX Pioneers:

1. Start with CX - Business leaders more readily understand the ROI of improving the Customer Experience. ING, ABN AMRO and others started with Customers and then began to naturally move towards and ask about Employees.
2. Pilot EX – Start somewhere in the business where you know you will have best support and sponsorship. You will have to have business support wherever you attempt to build EX.
3. Go Rogue - Build a broad based team outside of HR. Airbnb, ING and LearnVest all started outside HR to build EX. They didn't want to be hostage to old thinking. Some Pioneer business leaders didn't trust HR to know how to build EX or do it correctly. Typically EX teams include HR, Marketing, IT, Facilities, Design, Communications. Get business leaders as your sponsors.
4. Start building a Business case – Identify a use case that aligns with a known and costly pain point. One way of doing that is to develop simple data models that help leaders make informed decisions about their people. IBM's Tom Stachura talks about the 'amount of goodwill that was earned' by providing managers with simple data pictures about which people were at risk for leaving.

3.2. Deep Listening

Before most EX Pioneers designed EX, they talked to people all over their organization and asked them about their experience working for the company, what worked and what didn't work and why. Prerana Issar, CHRO of the World Food Programme, an organization that provides food to the hungry in conflict zones around the world, makes it a point wherever she goes to ask employees why they joined the WFP. Simply asking the question and listening intently helps them reconnect with their purpose.

EX Pioneers gather insights and data everywhere from everyone. They speak with hundreds and thousands of rejected and accepted candidates in one-on-one interviews. They ask employees why they leave and ask candidates why they didn't accept offers. They analyze data on people at risk for leaving. They connect with employees in training programs. EX Pioneers examine what drives NPS and they analyze text comments from surveys. EX Pioneers continue to gather data as they develop These actions also help EX Pioneers get a sense of where they have greatest opportunity to change and what kinds of challenges exist. These conversations inform later steps in building EX.

EX Pioneers also said they gathered data insights in this phase. They collected information on people at risk for leaving, and those that don't join the company. They look at what drives high NPS and analyze text comments on surveys.

3.3. Analyze Insights

EX Pioneers say the main purpose of this stage is to understand where you want to go before you begin your journey and where you are most likely to have success. They look at data from both qualitative interviews and quantitative analytics. Some organizations determine from their analysis of leadership support and buy-in that they want to pilot EX in businesses that perform well and have leaders with a track record of being responsive to employee needs.

GE looked at data from their Analytics team to determine what kinds of activities correlated with highest productivity. ING did something similar for their CX process when they created an Innovation Center with 250 innovators, spread across the globe. Ideas were independently assessed and ranked and passed on to be further developed.

Most EX Pioneers we spoke with, identified key business problems to be solved and then pored over data and looked for areas where they could impact the business. IBM talked about giving time back to candidates and employees and identifying where they were losing top talent. Data insights helped them to later create profiles of personas and identify people most at risk for leaving.
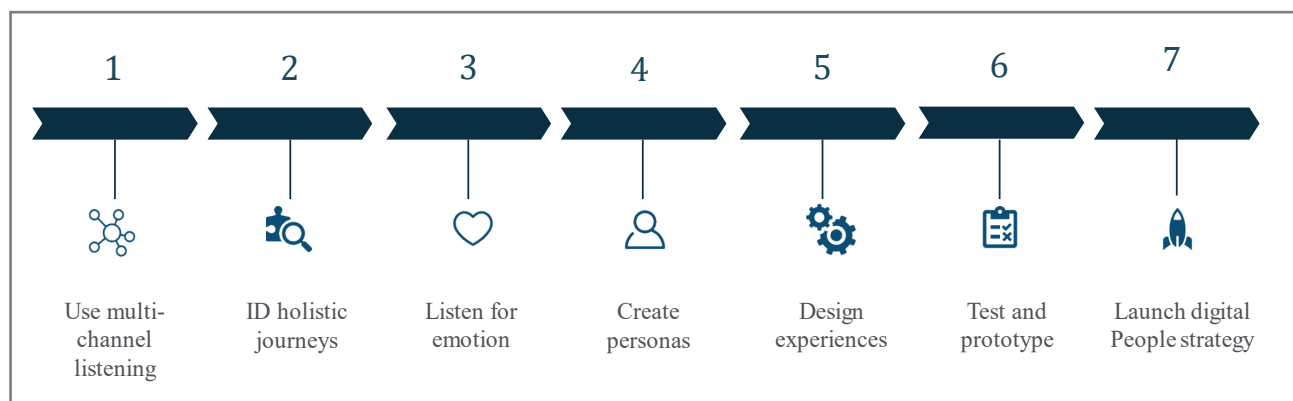
3.4. The EX Playbook

1	2	3	4	5	6	7
Use multi-channel listening	ID holistic journeys	Listen for emotion	Create personas	Design experiences	Test and prototype	Launch digital People strategy

Fig. 7 – Steps in the EX Playbook

Multichannel listening

Designing an EX-Centric Organization starts with listening to and observing employees. EX Pioneers use surveys, focus groups, Hackathons, and interviews, as well as a host of Digital tools. And these are often being used simultaneously.

Key things we learned about Multi-channel Listening:

Start with a problem to solve - Many of the EX Pioneers we spoke with started with a particular business problem for a particular target group. For ING, it was how to get the talent they needed for their Innovation Hub, a top leader-sponsored project for 3 to 6 months. They learned from talking to project participants that they were doing a poor job in terms of development and supporting people to be in these projects. They interviewed people in their second or third job rotation, to understand pain points, hurdles, and what a good solution looks like. IBM, uses Analytics to discover the conditions that encourage top talent to stay or leave, become motivated or to lose motivation, to be productive or not productive.

F2F - Although Digital feedback tools are exploding in number, all the EX Pioneer companies we spoke with in our cases still rely most heavily on face-to-face interviews, focus groups, town hall meetings and personal observation. Interviews are used all across the main journeys where companies want insights: recruiting (interviewing candidates that don't get hired too), on-boarding, in learning, on-the-job development situations, in promotions and leaving the company. Every EX Pioneer we interviewed talked about interviews as a key tool to first map journeys and what matters most to people. Digital tools such as pulse surveys were used often to surface issues, which could then be probed more deeply in face-to-face interventions.

Observe
EX Pioneers spend time listening and observing what employees do and how they do it, mapping their activities and interactions with the organization and each other, and asking open-ended qualitative questions about what motivates them, where the work experience could be improved, etc. EX Pioneers at ING and LearnVest were trained in Design Thinking and reported learning a lot about how to really observe and develop Empathy.

Hackathons & Breakathons
This form of creative problem solving has been used by Cisco and LinkedIn and many others to innovate and find new ideas for organizations at grassroots level in a fast timeframe. Cisco's Breakathon involved 820 employees across 120 teams of 4 to 8 employees across the globe in 139 cities. They came up with 105 new ideas in 24 hours, and panels grouped them into 4 groups: "Best road into the future," "Best idea we can implement soon," the "Way-cool idea" and the "Best idea to bring Our People Deal to life." .

Hackathons are a great way to involve broad numbers of employees across an organization and come up with new apps and other ideas that reflect how employees want to work. The key is to involve people across functions and geographies, and not just from HR.

Surveys- many EX Pioneers use surveys to provide more data points to work from. But an increasing number use qualitative open questions e.g.. what are key touch points, rated as satisfiers or dissatisfiers vs. lengthy quantitative questions which may miss the key issues.

Not just HR - Successful EX companies rarely made this an 'HR exercise'. ABN AMRO's Head of EX had his 2 CX counterparts present in most of their design stages. Most of the more advanced EX Pioneers involved Marketing, Branding, Internal Communications, Design, and other roles in the data gathering. This was key to them building broader consensus for action later on.

ID holistic journeys

Participants in the Multichannel listening exercises are often gathered into focus groups that use data insights and information from observing and talking to employees to construct holistic journeys with defined stages, key touch points and an indication of importance, as well as desired outcomes (from the Employee perspective).

These are often presented in one-sheet 'Fact Summaries' with key data e.g. for Recruiting and On-boarding, key statistics on Vacancies, Screening and On-boarding, and some visualization of the importance and/or useage of that particular touch point.

What journeys are most frequently designed?

recruiting   on-boarding   development   leaving   promotion   mobility and ex-pat
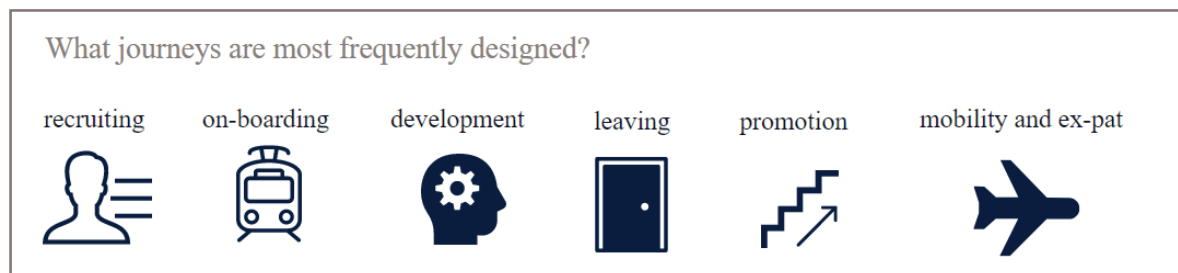
Fig. 8 – Most frequently mentioned Journeys

ABN AMRO looks at 5 main journeys:

1. Best start (recruiting and onboarding)
2. Let me help you (interactions with company and HR)
3. Meaningful Growth (performance feedback, learning, development and internal mobility)
4. I owe you (salary, benefits, leave)
5. Great Ambassadors (pension and off-boarding)

Maxis bases their Employee Promise on three main journeys:

1. I Know – Know how you're performing, how you're perceived
2. I Grow – Maxis will always give you the opportunity to learn, grow, you should take the opportunity to grow, take risks
3. I Engage - Be engaged. Maxis created a number of programs for employees to interact, including Pilates, Mandarin classes, cooking lessons. Activities that are fun for the employees to join. People get to meet others in different departments, which makes it much easier to collaborate

GE currently has 4 experiences it focuses on:

1. Candidate – best experience for the 45,000 who successfully apply each year and the roughly 2 million who are unsuccessful
2. On-boarding – focus on 1st year 'Path to Success'
3. Development – help 317,000 employees have the right capabilities so they are market competitive
4. Life Events – celebrating positive life events such as births, marriages and birthdays, and supporting employees through tough times like divorce, illness and death

❤️ **Listen for emotion**

GE's Head of EX, Paul Davies says, "We listen to our employees and create journey maps with them. We listen for those moments that matter so we understand the critical parts of the journey. We ask for input on what is most frustrating and difficult, and where they see the greatest potential for improvement. Overall, we are trying to understand the emotions our people go through as they navigate our experiences and we try to remove friction, reduce anxiety, and build anticipation and create excitement where ever we can. "

"We went back and asked our candidates what mattered most to them, we listened to their stories, and listened especially for their emotions along their journey. Do our organizational structures create silos & friction for our candidates? The way we recruit on campus is different to how we recruit mid-career hires. We have to be comfortable with those experiences being different based on the personas we are trying to solve for."

ABN AMRO asks their employees to rank in terms of importance all of the touch points along their Employee Journeys, and state whether they are satisfied or dissatisfied. This gives more opportunity to probe to understand what drives these feelings and their impact.

Create personas

Personas have been used for years by Marketing to help organizations think more specifically about the ways people experience a company.

IBM created 3 main personas – 1) IBMer, 2) Manager, and 3) Upline or Executive leaders and then considered critical moments of truth that defined the employee experience. Tom says further, that "Understanding these personas in the context of the work they are doing or decisions they are making, helps crystalize the essence of value for that persona. That then becomes what we solution for."

ABN AMRO created 5 personas. Frank van den Brink says: "To ensure a great onboarding experience we focus on new hires. A lot of our HR products and processes are employee centric, but some are also focused on our leadership. By creating a specific persona around them, we are able to focus on their priorities and support them to enable a meaningful growth for our employees."

ABN AMRO Personas:

- Regular Employee: the key persona - we want them to take ownership of their career
- New Hire: to ensure a great onboarding experience
- Manager: to support them and enable a meaningful growth for our employees
- External Employee: so that all employees help us achieve the same goal: transition our business model
- International HR Employee: as globalization requires a broader focus to attract and engage talent.

Frank continues: "We acknowledge that all personas are treated differently and have different needs. By focusing on their priorities, dissatisfiers and moments that matter we are able to improve the experience and engagement."

EX Pioneers identify key statistics and drivers for the personas, company and HR services, and other data that help the organization understand that profile. Validate in focus groups and interviews with employees. It is helpful to also bring in qualitative data e.g. quotes from interviews, focus groups and surveys for each of the touch points for each persona to give additional depth to the insights.

Design Experiences

Using the personas, EX Pioneers design the ideal experiences that correspond to the touch points and Moments that Matter along the holistic journeys. Airbnb talks about 'Every Frame matters'. Their CEO was infatuated with Disney and their attention to story. So Mark Levy and his team constructed Story Boards to illustrate the Employee Experience in specific journeys.
Paul Davies at GE also talks of creating Story Boards and says 'We don't go an hour without referring to one of these.' EX Pioneers identify key needs and design all the stages of each future holistic journey, with employees and EX/CX team members, identifying key success factors.

Some create a Current State Assessment with main phases and activities, with a rating of how these are being perceived and key comments. A set of recommendations, detailed actions, KPI's and benefits are often created as well. EX Pioneers often create both digital and human points of interaction and identify hoped for outcomes. GE, Airbnb and other EX Pioneers often work with Facilities and Design to create new work space as part of EX.

Test & Prototype

Depending on the leadership support and sponsorship you identified earlier in this transformation, you may want to pilot EX in some part of the business where you are most likely to be successful.

IBM started with identifying employees who were at risk of leaving IBM and shared key information with managers, including prescribed retention actions. Tom Stachura says, "At first, it was simply helping managers make sense of data they already had access to and then citing observations and recommendations. We saw a huge amount of goodwill that was earned. Managers said, 'You combed through my world and came up with insightful recommendations.' That provided a platform for us to get more sophisticated. Tom recommends that EX leaders show value in the eye of the target group of the persona – a design thinking principle – and, wherever possible, ROI."

Regardless of your situation, you will want to test your prototype EX journeys, and get more feedback on how well you have captured the emotions and Moments that Matter.

Launch Digital People strategy

Paul Davies at GE talks about designing EX as part of the ongoing culture transformation which includes both physical workspace and design as well as the and tools and technologies GE provides its people to enable them to be productive. Nina Maldonado helped create EX at ING while she was on the Digital Transformation team (not an HR role). She focused on culture change, new leadership behavior, and how to support innovation.

One of the characteristics we saw in many EX Pioneers is that they leveraged CX and EX as key parts of their Digital Transformation. Indeed, we see CX and EX as core to a Digital Strategy.

EX Pioneers create a strategy that integrates digital tools with human interaction. The goal of any Digital strategy is to improve the Employee Experience. We have adapted here Thomas Friedman's '6 things your Digital strategy should be able to do': analyze (reveal previously hidden patterns of behaviors/drivers); optimize (tell how a team can work most effectively); prophesize (tell you when your employees are most likely to perform at their best); customize (tailor any product or service for a particular segment); and digitalize and automatize more and more products and services

3.5. Design the People Strategy and Capabilities

The EX Pioneers we interviewed have seen significant changes in the way they structure and operate. The most prevalent change is the building of a coalition with other teams e.g. Design and Facilities, IT, Events, Branding (GE, Airbnb, LearnVest, ABN AMRO). Some of these created EX teams that didn't sit under the official HR Org Chart but operated as though they did, breaking traditional silo's and CoE structures.

We also observed that many of these organizations became flatter, much less hierarchical, reduced VP titles (Maxis, ABN AMRO) and became much more agile in how they form and reform teams. Lastly, in many EX Pioneer companies, including some rather large ones, we see the head of EX assumes the CHRO role (Adobe, Airbnb). In some cases, heads of EX come from outside HR and bring with them a much broader knowledge of customer insights and technology (LearnVest, ING). We see EX Pioneers building new organizational capabilities e.g. Design Thinking, Analytics combined with Organization Design and Organization Behavior roles, and a growing emphasis on building Learning capability vs. technical expertise.
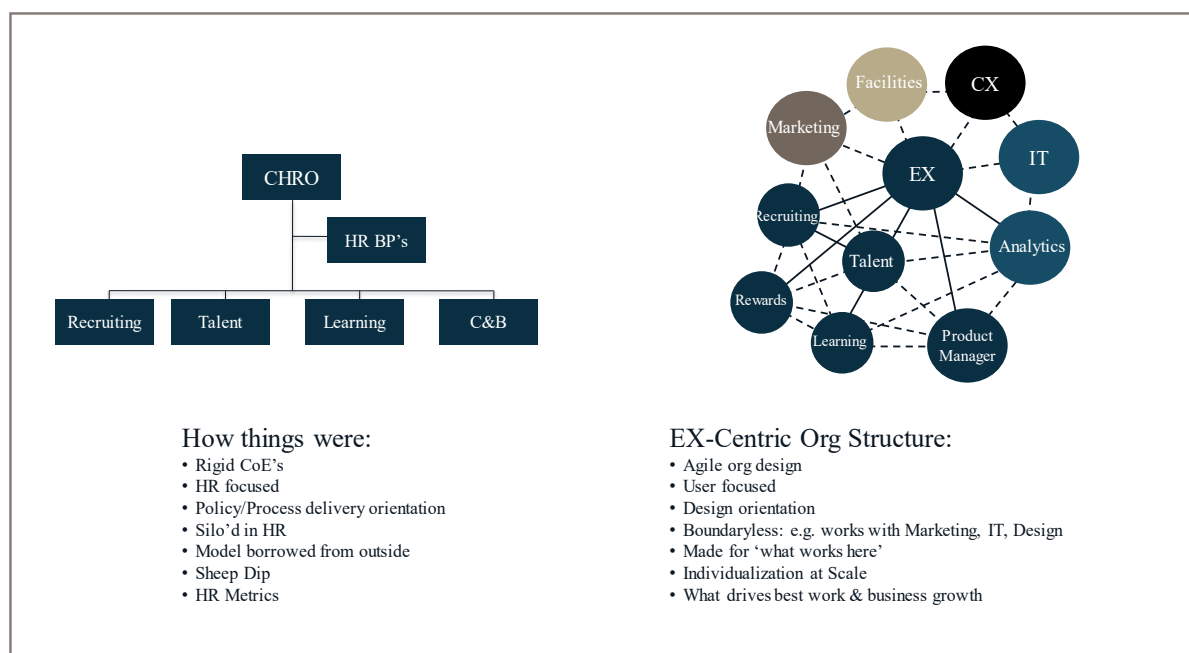

How things were:
- Rigid CoE's
- HR focused
- Policy/Process delivery orientation
- Silo'd in HR
- Model borrowed from outside
- Sheep Dip
- HR Metrics

EX-Centric Org Structure:
- Agile org design
- User focused
- Design orientation
- Boundaryless: e.g. works with Marketing, IT, Design
- Made for 'what works here'
- Individualization at Scale
- What drives best work & business growth

Fig. 9 – Steps in creating an EX-Centric Organization

3.6. Practice and Implement

EX is not like other past programs where you put something in place and then leave it. EX is a living, ever-changing way of working that builds on constant, ongoing feedback and improvement. GE talks about not going a day without referring to their story boards. Frank van den Brink at ABN AMRO meets regularly with his CX counterparts to discuss what is working well and why. They have a continuous learning and feedback loop built into their EX design.

EX Pioneers we spoke with are still learning how this all works and never stop listening and interviewing, running new hackathons, and gathering insights from digital tools.

The coalitions that EX Pioneers created in the beginning of their transformation discuss what they are learning and identify more effective ways of working. This is also a place where some cite use of coaching and OD support. They use Analytics to identify practices that predict success in business results, they measure what is enabling best work and driving greatest growth and continue to build core capabilities around CX/EX for competitive advantage.

4. EX Pioneers tell their story

Our study showed that while nearly 90% of companies feel that EX will be more important in the next 2 years, only 6% say they have made significant progress. We estimate only 80-100 companies have the role 'Head of Employee Experience' in a senior role (reporting into the CHRO or replacing the CHRO). Until more companies make significant changes, we believe a gap will continue to grow between EX companies, due to their ability to build on the best work of their people while they attract and retain top talent.

Here we highlighted eight EX stories, which all have a unique business case, so others can understand the kind of Transformation involved in becoming an EX-Centric organization.

4.1. Airbnb: Scaling Culture for Growth

What led Airbnb to become an EX-Centric organization?

Mark Levy is a true EX Pioneer. When Mark first joined Airbnb back in December 2013, CEO and co-founder Brian Chesky had one message for the new leader: "Don't screw up the culture."

For the 6 months leading up to Mark's hiring, Airbnb went without an HR leader. Chesky wasn't sure he needed one and was looking outside of traditional HR to fill the void. Chesky advocated for a way to scale and preserve Airbnb's culture. This idea became the driver for him and Mark as they created and implemented EX.

The design of EX at Airbnb led Mark to realign various functions. When Mark joined, areas related to the employee experience were spread throughout the company. Recruiters reported to Business Leaders. An independent, small team focused on bringing Airbnb Culture to life, as well as employee celebrations and events, reported elsewhere. Real Estate and Facilities reported into Finance. Mark decided to bring all these groups together – thinking of the end-to-end employee journey like the end-to-end customer journey and focusing on what is EX.

Mark says: "I made it up and Brian liked it – it wasn't HR." Mark added Environments/Design (at the recommendation of the founders, who both graduated from Rhode Island School of Design), and also introduced the idea of Citizenship (Employee Volunteerism). Mark joked that pulling together teams to create EX was "a bit of a fire sale." There are other teams that do not fall under Mark on the org chart, but they partner closely to bring the entire EX to life. These include ITX, Employee Travel, Payroll, and Business Systems. Now, 4 years later, Mark Levy can't believe how this conversation with Chesky revolutionized the way people experience work and life at Airbnb and how it influences the way small and large companies are evolving their HR functions.

**How did Airbnb do their Transformation?**

When asked how he built EX, Mark stated: "We started with our core values, and we ensure that everyone who joins is coming to Airbnb based on their belief in our mission and would further the behaviors we have defined for each of our values."

With the employee and Airbnb's core values at the center, Mark and his team have designed various EX journeys, Mark worked with the conviction that "every frame matters," which was one of the company's original values. This came from Disney's traditional animation process, which requires drawing each and every frame. It emphasizes 2 things: 1) just like a movie's storyline, the end-to-end experience must be holistically created, and 2) just like an individual, hand-drawn frame, every touch point an employee (or a prospective or past employee) has with the company matters.

Every candidate has their functional/technical interviews, and then has core values interviews by two people outside of their function. These interviewers have no knowledge of candidate's CV or job-related experiences. Mark explains, "We want to understand whether this person is coming for the right reason, and how she aligns with our values. This is one of the successes of our Employee Experience. You're brought into our ecosystem and we want to make sure you're here to ensure the success of that ecosystem, to help create a company where you belong."

Mark has also transformed EX by highly individualizing work and life. Employees are given what they need to perform their best. With that goal in mind, Airbnb gives employees the last two weeks of the year off, which is unheard of in the hospitality business. They recently announced a 20-day paid leave for bereavement of a spouse or child, with a graduated number of paid days off based on the relationship to the employee.

Mark and his team continue to make needed and wanted changes with help from its data science team. They pay close attention to their employees' feedback, so much so that AirBnB decided to not participate in Best Places to Work, as it "places too much focus on what others think is important and takes too much time and resources that could be directed to the people." Even though external rankings promote their culture, Mark says "We decided to go more by what our employees say about us, which resulted in our being named #1 place to work on Glassdoor (based on employee input) in 2016".
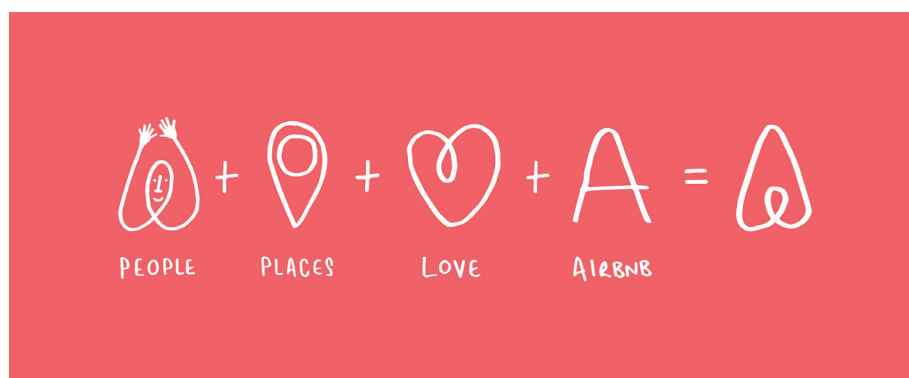
What advice does Airbnb have for you?

Mark recognizes that most companies would have to go through a significant cultural transformation to get to where Airbnb is today: "We had it easier since we had no specialization or bias about what EX could be, we just made it up. Airbnb didn't know what HR looked like. We did what we could to bring our employees up the commitment curve. We said we would treat them like business partners, they told us they wanted to be treated like founders." However, he advises that companies should discover the actual employee journey, including key touch points, and the activities related to those touch points, and then determine the groups and systems you need to support that journey. The people and resources don't even need to necessarily sit under the EX function."

4.4. ING:
Disrupt Before Someone Disrupts You – A Digital Strategy for CX and EX

What led ING to become an EX organization?

Ralph Hamers, CEO of ING truly believes in innovation and in empowering people. His main message with his leaders has been "Disrupt before someone disrupts you." He initiated a transformation led by the business rather than HR. As part of that transformation, the Chief Innovation office began building a strategy for ING's CX.
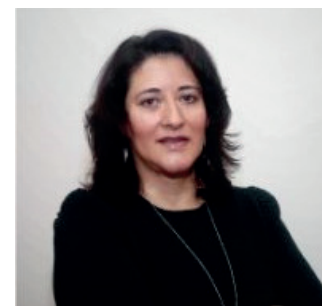
Nina Maldonado was moved to a new role to help. She explains: "I was responsible for Employee Engagement and moved to be part of the Innovation Transformation team. There, we focused on developing a new mindset, an innovative one where employees felt empowered to come up with new ideas and actually work on those ideas to see if they could be implemented."

"We defined all the touch points in the customer journey from the moment in which our customers have contact with us to when they move on and continue in their personal journeys. We introduced Design Thinking as one of the methodologies to better understand the minds of our clients. It made me realize that we could use that same approach with our employees."

"We went outside and talked to our clients, those who were more ahead in their innovation journey and we learned from them. When I moved into the B2B area, we had the opportunity to partner with companies like Philips, Unilever, and Heineken in co-creating solutions to their problems. We also started getting into the heads of our counterparts to better understand the people behind these companies."

Nina met with different people from diverse parts of the business, to understand Customer needs. She explains, "We started to like what we were doing, understanding the psychology of our clients. Then we asked, "If we can do this for our clients, why can't we do this for our employees?"

How did ING do their transformation?

The first thing ING did, Nina explains is, "We worked on Leadership Mindset. We talked about accepting mistakes and learning from them. This conversation was extremely difficult as we were just coming out of the financial crisis. Not everyone was on board. We decided, however, that what we needed to do was create a culture of Experimentation." There was a change in words that make a big difference in the approach – we could open more doors at all levels."

"Second, ING started focusing on their senior leaders so that they could understand why innovation and a change in mindset were needed. This led as well to a change in the type of questions they should have towards their teams. Mindset was thinking in predictability and consistency. We wanted to have another type of dialog – how could you challenge, empower and sponsor a team. How we could bring the right kind of dialog?"

"Third", Nina says, "we created an Innovation Center in which we would host any kind of initiative to make the 'ING of the Future' – targeting disruptive innovation. Many companies are doing this nowadays: empowering their employees to design together the future of the company. In that center, ideas could come from open innovation (i.e., from startups), or from our employees through our Innovation Bootcamp, where once a year people are invited to share their ideas on initiatives from the board. It is a system that works well and gathers hundred of ideas every year around 3 or 4 challenges defined by the Board.

Nina explains: "We had around 250 innovators globally – early adopters – to assess the idea. Seven innovators examined every idea and independently assessed and ranked them. The top 100 ideas were passed on to Design Thinking, Lean Startup and Agile to be further developed and received full support. Out of this we created a Customer Journey map, to understand what problems we were trying to solve for our customers and work to define a MVP (Minimum viable product/service)."

"Next, we built a platform for employees where we could ask users at any stage of their career, what skills they had and what their availability was. On the other side, it had open roles. This was for us a sort of open market on innovation where you could meet demand and offer. This is now very much embedded across ING, and most employees feel comfortable in raising their hand to join an innovative new idea for a short or longer time. Sometimes they will be even comfortable in joining a team working on innovation, on top of their job."

Fourth, Nina sought employee insight: "Together with the business, we started interviewing employees, asking about common pain points, hurdles, and possible solutions. With that feedback, we tested an app to help people develop in their career who have a short-term assignment. We began more actively promoting an environment where mistakes can be tolerated. We gave employees the freedom to do what they need to do in order to get the most of this opportunity."

Nina learned the process for building CX and EX at the Design Thinkers Academy in The Netherlands. After attending several workshops with them in-house at ING, she decided to get her facilitator certification. Likewise, most of the facilitators of innovation at ING know Lean Startup, Design Thinking and Agile. She says, it is very well embedded now in the ING culture: "You need to go out and interview customers (employees), brainstorm, develop and test your prototypes. Practice it a few times. In several countries, HR has played a key role as well in rethinking the way you work and building a more agile and fluid organization that better suits the business strategy and the environment where people can thrive."

What advice does ING have for you?

Nina shares: "Start small – get it going – just do it – don't wait always for HR. Organic growth is important. One of the biggest assets we had was support of our CEO. Find someone who is near him/her and get that senior sponsorship."

Nina has now moved to her next challenge, leaving ING. ING recently won an award as 'Best Bank in the World' and was cited for 'being ahead of the curve in adopting digital technology and a culture of innovation.'

4.2. Maxis: Regain Market Share and Competitive Advantage

What led Maxis to become an EX organization?

Maxis was the largest, most successful Telecom company in Malaysia. However, it lost its momentum after being number one for several years. Competitors were catching up and in 2013, it was a question of time before the number one spot would go to another Telco. Their CEO, Morten Lundal, joined in October 2013 to turn the ship around. Mirroring these market woes, the company in 2013 saw record low engagement scores. Maxis was losing revenue in traditional areas such as calls and SMS, which already were being disrupted by the likes of Whatsapp, Facebook Messenger and other technologies. The leadership knew that some radical changes had to take place.
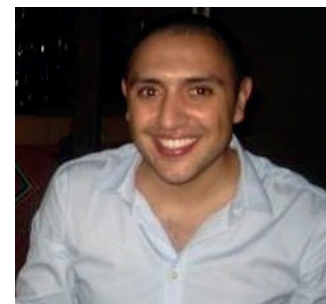
How did Maxis do their transformation?

The first thing the CEO did was to focus on creating a culture and mindset that fit with the direction he wanted to move the company. Monir Azzouzi, Head of Employee Experience at Maxis, shares how Maxis completely re-designed every aspect of employee interaction with the company and transformed the way they do 1) performance & talent management, 2) organizational development, and 3) digitalization (Culture & leaders).

The goal is that at every employee touch-point they try to live up to the three pillars of the "Maxis People Promise" (aka the Maxis Employee Experience):

- I Know: Employees know how they are performing, how they are perceived, policies, processes and everything else they need to know to do a great job. In general, you have all the information you need to have a high performance.
- I Grow: Maxis will always give opportunities to learn, grow, do more and lead others. Maxis makes sure everyone can learn anytime, anywhere. In turn, employees should take the opportunity to grow and take risks.
- I Engage: To engage employees, offerings include Pilates, team activities, Mandarin classes, and cooking lessons. Joining is fun and easy, and most importantly, people get to meet colleagues in different departments, which leads to greater collaboration. In other words, we make sure people work well together and have fun.

At Maxis, they designed the framework I Grow to convince people that growth is not just about promotion but about learning, growing, and gaining new capabilities. They ran several campaigns to support and implement the change. They will tell you that it's a long journey to change people's career mindset from focusing on growth instead of promotions.

Maxis also changed traditional performance management to further promote a feedback and growth culture. Monthly conversations with employees (called "Pit Stops") facilitated on-going discussions of past month's performance, next month's expectations, and personal development. The traditional heavy yearly appraisal was replaced with a simple box to summarize the Pit Stops and a rating.

Organizational development

Maxis also flattened the organization, going from 51 job grades to 4. Leaders are designated with the sole title; "Head", as opposed to the various junior and senior level positions. It was very challenging to make this transition. They took a conventional company that really cared about titles and flattened it. They went suddenly from people that were struggling for titles to where it didn't matter. By flattening the org and the structure, people don't get promoted as often. Now the focus is on personal and career growth.

To further encourage an equitable culture, the physical office spaces were completely redesigned. The workspace became more open. Now in Maxis headquarters, they do not have offices for anyone. When you walk in the building, you can't tell where the CEO is sitting – his workspace is basically the same as everyone else's. This is contrast with their past, when the CEO, CFO and Chairman had an entire floor to themselves.

Around the same time, Maxis had fallen to number three in prepaid with a declining market share. They were not sure it would end well. But, the CEO sees himself as the head of culture and they believed that 'With the right culture, everything else will follow.' And they were right: Today, Maxis is number one again after two years and outperforming the competition. Engagement scores have gone up 21 percent, even after two years when they didn't pay any bonuses.

Digitalization

Maxis leadership took a holistic view of what was going on with the employee journey, focusing on how people experience Maxis, not on what makes people momentarily satisfied. They discussed how they want to be perceived as an organization. They knew that EX had to be digital but also human.

We looked at how their EX design impacts their digital people strategy. Their target was to create the right business results. Their digital strategy is aligned with EX and every process that employees deal with is mobile – their HR systems, learning systems, and interview process. When Maxis people want to learn or develop they can access their Bite Size learning, via Lynda or SmartUp, and view content while commuting or from home. Everything is mobile-based. They used digitalization as one of the key means to create the right EX in Maxis.

What advice does Maxis have for you?

What is the secret to their success implementing EX and all the transformation that went with it? It all starts with top leadership who want to change the culture and the values.

What is the lesson learned from Maxis?

Link EX to your values and culture, and then have plenty of courage and resilience. Be willing to fail and take risks. And most importantly, you've got to have top leadership and your CEO on board from the start.

4.3. LearnVest: Integrate 2 distinct Cultures

What led LearnVest to become an EX organization?

Startup LearnVest, a disruptor in the financial planning space was bought in 2015 by Northwestern Mutual, who saw the EX concept in LearnVest as the key differentiator for growing and transforming their business.

How did LearnVest do their transformation?

LearnVest sees EX as the key to "becoming the destination of choice for innovators -by attracting, engaging, and learning to do things differently." EX is at the core of how LearnVest thinks about its values as their employees are driven by their mission and purpose. Lina Stern, Head of Employee Experience and Organization Design at LearnVest, says that "EX starts with employee proposition branding. Employees are our first customer. Our employees help define our mission and this is what helps deliver our distinctive consumer experience to our users."

"We engage in immersive experiences to get to breakthrough ideas," commented Lina. LearnVest's focus on experiences is paying off. For example, LearnVest does not have a company-mandated on-boarding manual or checklist; employees co-create on-boarding materials with the EX team which are consolidated on-line platforms with bots and team driven experiences. The result is a living, breathing collection of on-boarding journeys, from personal on-boarding to becoming an alumnus of the organization. Something that is full of insight and illustrations with real, relatable human beings."

This year alone, the on-boarding content has been reviewed by 200 employees. Lina also shared that every employee that wants to be involved is involved, and they have access to a storytellers, technologists, and production managers to make their ideas a reality. LearnVest also invested in peer-to-peer and social platforms to drive socialization, personalize their experiences and help them reach out to each other to find solutions they need. Regarding how people collaborate, Lina said, "We use Slack to collaborate and are working on building AR and VR immersive experiences to bring teams together. For example, we are creating a way for people to experience a typical roadmap meeting set up via virtual reality and practice their product demos in 3D immersive sessions."

One of the first things Lina did once this process was complete was conduct a Wellness Assessment of culture, strategy, and learning and development. Armed with 10 data sets and an email language analysis, Lina and her team teased out what was working and what wasn't. In a leadership debrief, after her findings were presented, leaders decided to do something they had never done before: scale their culture while integrating.

From the insights Lina and her team had gathered, they designed 6 prototypes for EX journeys:

1. Enriched Environments
2. Relevant Tech and Data
3. Immersive Experiences
4. Authentic Leadership
5. Transparent Communication
6. Personalized learning journeys

Lina hired a team to help her implement these journeys using Design thinking principles. Once they had the programs in place, they did post-event surveys, facilitated face-to-face sessions, and conducted focus groups. They also looked at existing data such as from exit interviews.

Lina shared: "We look at designing the physical space where our employees could have 'Together Time', have alone 'Thinking Time', 'Play Time' and also invested in wellness programs from yoga and mindfulness to passion projects and creative 'Give me a Break' moments at work.. Parallel to the physical space transformation, and the wellness assessment of the culture, which was designed like a yearly check-up with the doctor. We also covered strategy, L&D, and culture."

"We ended up with a total of 10 data sets, along with a view to some cultural elements like the language most used and incentives that matter. What came out of that was 'What's working and what needs to change.' We ran a leadership debrief, explained the findings and what we hoped to do. It was the first time the organization had scaled the culture while integrating. The product they designed is completely customized to the LearnVest experience."

What advice does LearnVest have for you?

"Build a team with broad expertise, such as learning technologists, front-end developers, marketing and design professionals and story-tellers with diverse point of views.'

'Decide what would make sense for your current business strategy and align your efforts to these strategic priorities. Deliver fast and let everyone see the value. Your ability to build this function depends on your customers. If they want more and are using your products, you got it. Get out of your office and go talk to the people for whom you are building. '

4.5. ABN AMRO: HR Transformation

What led ABN AMRO to become an EX organization?

ABN AMRO's head of EX is Frank van den Brink. ABN AMRO wanted to do away with traditional HR to get closer to employees, radically change the business structure and processes, and anticipate more disruptive changes in the industry.

Frank says, "At this stage of EX implementation, what they want to achieve is not process or product but an improved EX for their 23,000 employees. To create a sustainable, world-class Customer Experience (CX), our organization must first create a sustainable world-class and meaningful Employee Experience (EX). EX is a new way of looking at how to design and engineer a high value, integrated and relevant end-to-end EX for our employees and future new hires. This includes everything to create a 'Best Start' for new hires, employees starting in new positions and 'Great Ambassadors' when employees leave our organization. We believe that 'Happy People' will result in 'Happy Clients' and we will try to go the extra mile every day to realise the best EX possible."

How did ABN AMRO do their transformation?

In the beginning of the transition (April 2017), Frank and his new team looked at how to be more client-oriented. What they discovered through employee feedback, however, is that HR was too process-oriented. As a result, Frank decided to align with the CX directors and map a customer journey, feeling strongly that the customer cycle was equal to the employee cycle. He reasoned, "We know there will likely be more changes with respect to numbers of FTE's so we better start optimizing the experience and processes for people joining and leaving; otherwise, people will potentially talk badly about ABN AMRO and instead he started to put energy in people leaving ABN AMRO as true ambassadors"

They used Design Thinking to observe and ideate opportunities to build a positive EX through various journeys, which were prototyped and tested in certain parts of the business that enabled quick feedback. Frank and his team came up with the following journeys:
• Best start – supporting candidate attraction, recruiting and on-boarding
• Let me help you – the way we are able to support and interact with our employees
• Meaningful growth – how we enable employees to achieve meaningful business and personal growth through performance, learning, development
• I owe you – the way we recognize talent and performance by also focusing on wellbeing (vitally, mindfulness, sabbaticals), preparation for retirement and recognizing long time contributions
• Great ambassadors – building a strong alumni experience and better external reputation

Frank and his team also developed several main EX circles of expertise:
1. Talent Attraction: How to improve the Candidate Journey, Design and implement a Sourcing Strategy and create a "Love Brand" that sits next to ABN AMRO's Marketing brand.
2. People development: How to shift Performance management from reward focus to a people development focus. Performance management had been a reward- and regulatory-driven process, and they wanted to change the focus

to people's development and engagement.

3. Focus on a Total Reward strategy. Our employees give their best for clients. We ensure their contributions are recognized, not just financially with a competitive salary and great benefits, but also non-financially, by focusing on a great place to work, flexibility, vitality and sustainability.

4. How to optimize Learning to create more business growth. We recognized that all our people want to learn, grow and continually improve in their jobs as part of who they are.

Frank sits with his 2 CX counterparts and they work on common processes and capability building. The CX leaders have more UX experience. Frank says, "They help us on the same principles for client capability. It's similar to what were we are doing – we have a client and employee approach – why not do it together?"

"Last but not least is capability building within HR itself – they are moving more and more non-traditional, designing HR roles after marketing, using analytics on content restructuring. The goal was to make HR 'future-fit.'"

Frank says, "A lot of companies skip that part and just do the EX project without new capabilities or redesign of roles and organizational set up. We had natural momentum with a new CEO last year. The management group was completely reshuffled. Our top 100 leaders were assessed and restructured, 40 Managing Directors left, and we created new portfolios. In that whole re-design we did away with silo thinking. We positioned EX next to CX on the org chart. When people see the governance and the positioning in the organization, they understand that people are as important as clients."

What advice does ABN AMRO have for you?

Frank warned that implementing EX can't be done just once; efforts must be on-going and innovative: "If we do face-to-face feedback and get, say 200 questions on pensions, then we have something wrong with our content. We're looking for more use of AI in our service delivery model (e.g., Chatbots that can help you with questions). Frank also commented on how important it is to involve everyone: "We coach a lot of managers to make them responsible for their EX circle."
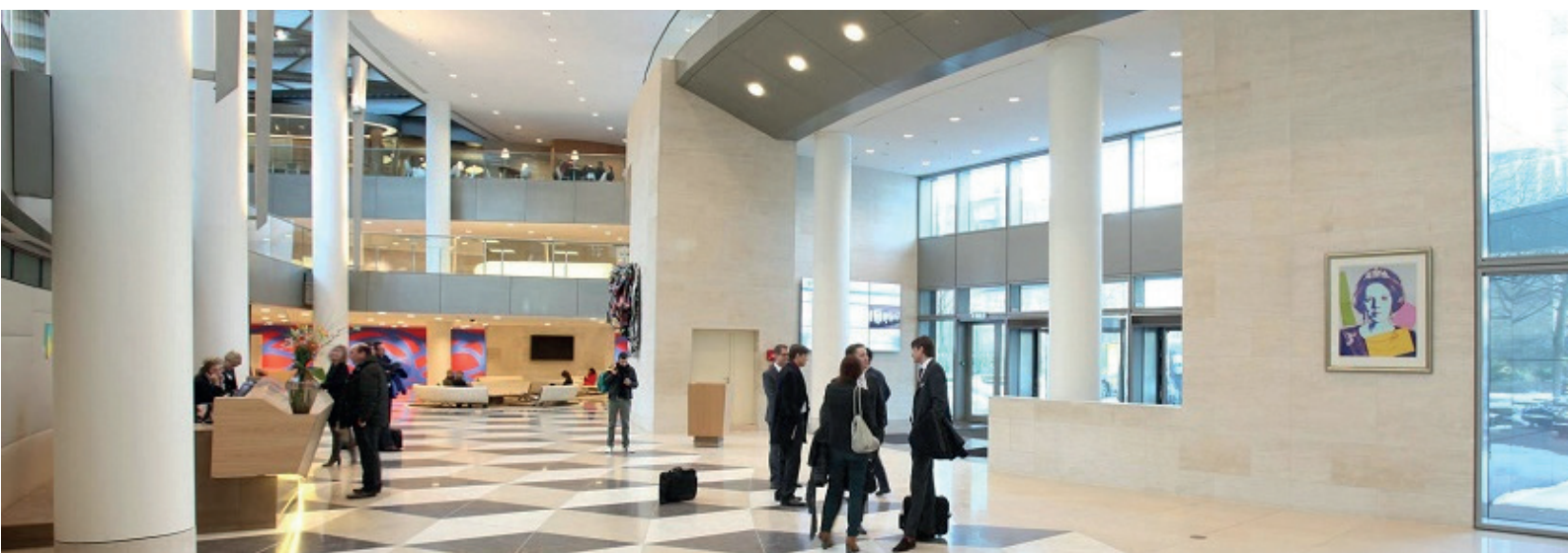
4.6. GE:
Increase productivity by enabling employees to do their best work of their lives

What led GE to become an EX-Centric organization?

Paul Davies has been Head of EX at GE since 2016. During his first 100 days, he went to many companies to learn what they are doing in EX. Paul visited Disney, Airbnb, Deloitte, Brooklyn Navy Yards, and many others. He discovered that everyone is doing EX differently, tailoring it to their context. He and his team started listening to employees and looking at what data came from the Analytics team. They were interested in what drove productivity and came up with the definition for EX: "Enabling our people to do the best work of their lives through moments that matter."

How did GE do their Transformation?

Paul has a small team, and partners closely with the Global Facilities organization and the Digital Technology team. Paul leverages analytics staff & data scientists to measure the impact of improved experiences on overall productivity.

Paul and his team started with the candidate experience journey. GE had some 2 million applicants last year who clicked the 'apply' button, but GE filled only 45,000 roles in 2016. Paul recognizes that all 1.95 million applicants who were told "no" have an impression of the GE brand. He wonders, "Did we uphold the brand, did we represent who we are, were we on time? What was the candidate experience? How can we make them supportive of our brand?"

Paul says, "We asked candidates: How did you first learn about GE? Was the application process easy? How was it when someone reached out? We went back to candidate surveys and asked them in 1:1's to reflect on the moments that matter. From there, we analyzed and made surgical improvements, depending on whether it is a site or manager issue. We wanted to find ways to increase productivity and give time back to people. We asked, "What do I change to drive numbers up?"

Paul says secondly, they designed journeys for on-boarding and the challenge of 'How to make someone who is just joining GE successful? "How do we welcome them to the company, how are we with assimilating, with giving them the tools and content they need to do their jobs, do they have the right networks, and can they access the right people? We focus on their 1st year, what we call The Path to Success."

For candidates, they took the time to apply from 20-25 minutes all the way down to 3-5 minutes. GE has given millions of minutes back to candidates. Many of their on-boarding concepts are driven by a concept they borrowed from Google – the 'Nudge'.

Third, they looked at GE's Employee Development Experience. Paul has someone on his team who looks after the Development Experience, with 317,000 people to look at development. GE wants to have them in the right experiences. (make a space)

The last and broadest area is 'Life Events'. Paul says "Every day GE people have births, deaths, marriages, divorces. In the past, we may have expected our people to leave their home life at home, and leave their work life at the office. Reality is, we want people to be their authentic selves so we expect people to bring their home lives to the office and take some of their work life home. The line between work and home is forever blurred."

"We have to manage the moments that matter for them and help people through those events. GE employees in the US alone give birth to 7 children a day. We also consider how we can continue to be part of someone's life after they leave as GE alumni. We are learning to walk in the shoes of our employees."

"To design these, we used Personas, Design Thinking, Story Boards. We don't go an hour without using one of these. We went back and asked our candidates what mattered to them, listened to their stories, listened especially for emotions. Do our organizational structures create silos & friction for our candidates? The way we recruit on campus is different to the bulk of our mid career hires. We have to be OK that the experience is different."

"We learned that 42% of our candidates make the decision to join GE during their first on-site interview with the hiring manager. Because of that data point – how do we make sure their experience is the best it can be? How can we curate that experience?

We created 4 journey maps, with 10 or 11 frames for each journey. Our journey map is much more human, the role of our people leaders in helping candidates be successful is so important. HR doesn't appear in any of the journey maps. We're the custodian and facilitators of the experience but no one says – I need to meet HR or can I have HR help introduce me. Our role is to help our people be more successful."

Paul and his team have created EX in their physical and digital workspace and have worked to change the GE culture to be EX-Centric. They use their regular business metrics of growth and profitability to track their progress. GE uses their 'Leader on the Go' (LoGo) app to drive productivity for their 37,000 people leaders around the world. Push notifications help their people leaders make decisions on the go when they're traveling, at a customer site or at home. GE is testing a number of 'nudges' via its LoGo app to create and support 'Moments that Matter' for their employees.

What advice does GE have for you?

Paul says, "At the end of the day, people just want their issues fixed. They feel handoffs and transitions from one team to another. You have to make transitions seamless, remove unnecessary friction and resolve issues quickly to ensure people feel empowered. It's so important to walk in the shoes of employees."

"Some folks work in silos and forget who their true customer is. It's critical to have a candid conversation about who the primary persona is, to make sure you are solving for the customer."

Paul says the most important thing their organization has learned about how to build the Employee Experience is to "ask people what they want, how they feel, and where the pain points are. If you can do that you're already on the way to understanding how you can create a great experience for your people."

Lastly, he advises to others taking this journey that they "Ask yourself what is important to you as an organization. You need to make sure that your employee experience strategy makes sense in the culture and the context of your own organization rather than simply implementing what others like LinkedIn, AirBnB or Google have already done."

4.7. IBM

What led IBM to become an EX-Centric organization?

Tom Stachura heads IBM's Talent Solutions and People Analytics function, since 2015, where he helps shape IBM's enterprise People Strategy for nearly 400,000 IBMers across 170 countries. He leads a global organization comprised of talent executives, functional experts, and dozens of cognitive and advanced analytics professionals – all with the goal to elevate IBMer performance and achieve IBM business results.
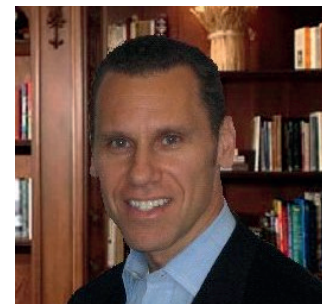
IBM has been transforming its strategy for the future of work—requiring greater speed and collaboration, increased personalization, and a highly skilled, empowered workforce. The company is committed to diversity, skills development, and superior work experience – keeping the IBMer at the heart of the strategy.

Tom says, "This notion of EX – using analytics in line with an employee experience - is something we're very excited about. It's where the execution happens and where true value is delivered. We call this 'Personalization at Scale.' We're consumed with enhancing the effectiveness and the experience for each of our key personas. Right now we're enabling individual personas and we're moving toward enabling persona groups – multiple personas executing in concert - to drive greater impact."

While NPS, ROI and speed of execution are the primary result metrics, measurable outcomes are expressed in a range of key metrics including: improvements to employee engagement, labor productivity, skills gap closure, diversity, career velocity and performance management.

How did IBM transform?

IBM continues to transform the enterprise by bringing cognitive and cloud-based solutions to its clients through an industry lens. These same capabilities are deployed internally and fueled by Agile and Design Thinking. For us, the process is about placing a persona at the center of the frame and then understanding the essence of value for that persona at key moments of truth. The process helps break down organizational or functional barriers and focus the effort on speed and value.

We have three primary personas: the Manager, the IBMer, and the Upline leader (executive). "Each persona has different moments of truth and experiences even shared moments of truth differently. Each is making different decisions, weighing trade-offs differently and relying on data and peers differently. Our aim is to help each of them be successful and help their teams be successful in delivering to IBM clients.

At first, the core issue was one of scale. Specifically, how to enable thousands of IBM managers with: 1) rationalized data from multiple sources, 2) insightful observations curated from our People Strategy, and 3) prescribed actions for

their use in decision-making. The solution is a convergence of big data, cognitive capabilities (AI), Agile practices, and Design Thinking.

We learned that by delivering prescribed actions to managers 'in line' with their decision-making process, cognitive load is reduced, learning is enhanced and better outcomes are achieved. As a result, the manager experience improves.

We've booked hundreds of millions in auditable business benefits throughout the transformation and in many respects we're just getting started.

The Workplace – Making It a GREAT Place to Be!
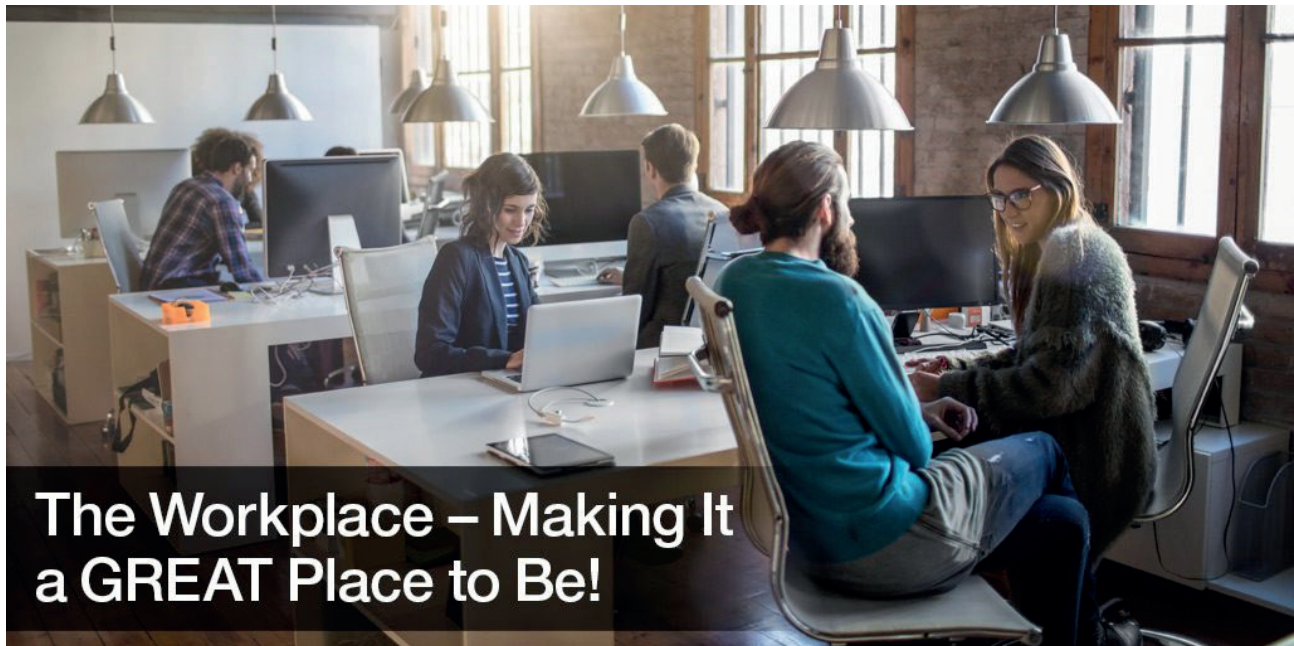
What advice does IBM have for you?

When it comes to Agile, start small and iterate. Be intentional when selecting the right persona and moment of truth and look for opportunities to capture measurable business value. Use the value captured, and credibility earned, to expand for broader impact. Secondly, co-create with persona representatives.   Contemporary social tools and platforms allow for incorporating input from small and large volumes of representatives that are geographically dispersed.

4.8. U.N. World Food Programme: Start with Why

What led the World Food Programme to become an EX-Centric organization?

For our final case study, we wanted to look at EX in a non-traditional environment in the developing world. We often associate EX with creating a certain kind of workspace with couches, games, and free lunch programs in a sleek workspace with the latest technology. We wanted to discover if concepts embodied in Employee Experience matter in only certain industries and settings.

Prerana Issar is the director of Public-Private partnerships and fund raising and former CHRO of the World Food Programme. The World Food Programme is the world's largest humanitarian organization which feeds an average of 70 million people each year in over 80 countries, many of these in conflict and war zones such as South Sudan, Chad, Iraq, and Syria.

Employees are often single mothers with young children who work on short-term contracts, due to funding Although contracts are often renewed, many employees do not feel secure in their positions. 40% of managers are women. When Prerana joined the WFP after years of senior HR roles at Unilever, she was surprised at how little WFP employees talk about their world and work. Her sentiment was, "If we want people to join, we need to talk about why."

Prerana states: "There is a spectrum across the humanitarian sector – from banks on one end, to life saving work that a lot of people do in difficult circumstances on the other. The kind of work people do and the reason they do it is an important issue. The mandate is so important."

Prerana continues: "People join the WFP thinking of it as a calling. They need to support their families but there are many easier ways to do that than working in a war zone. The question is: What can we do to amplify the good reasons people come to work? It is any leader's job to do that."

How did the World Food Program do their Transformation?

WFP's Transformation is based on a simple but very powerful question. Prerana asks the people she meets in these conflict zones: "Why do you come to work here and not in a bank or someplace else? She also thinks about, "What can I do in the way I structure work so that I can amplify those reasons for working here?"

WFP has single moms who regularly volunteer to go to emergency operations. Prerana says she wanted to get insight why they are doing these extreme jobs.

She asked one single mom, "Why are you doing that work in a war zone? You don't have to." The worker responded, "I'm from a country in Africa that has seen a lot of strife and I need to do this."

Prerana admits, "One of the challenges of the manager is they're not the only ones the employee is interacting with – they're getting feedback from many sources and those messages are not always consistent. You get someone who

is motivated but they get other messages which may erode that sense of purpose. They have a deficit and then as a manager, you have to reconnect someone with their purpose. As a manager, you may be answering for something you didn't do."

"All of us as psychological beings feel that interaction – you feel your contribution is not valued. And then the manager who has them now has to get them over that moment and reconnect them. If the organization doesn't follow through with the commitments being made, it creates a problem."

What advice does the World Food Programme have for you?

Prerana says, "I've met many of our staff in person – I start with this question of 'Why did you join?' and when I'm with smaller groups I use postcards with previous comments to start the conversation, leaving some space for them to share their thoughts. It provides a chance to reflect and share – back to the motivation and purpose that gets diluted over time."

When asked why employees join, they typically mention three things:
1. "I haven't thought about this for a long time."
2. "This conversation helps me recommit."
3. "I didn't know my colleagues felt the same way I did."

Prerana states, "No one had ever done anything for these women before. It was very much appreciated. I continue my mentoring efforts. For these 4 first years I had a key plank for how to leave a legacy of more women humanitarian leaders for the world."

5. Final Thoughts

We initiated this study to create an objective view of Employee Experience and develop greater understanding of some critical building blocks as we saw an effort to re-brand and re-purpose other, older concepts e.g. Engagement as EX. EX is something different, driven by technology and based on Design Thinking, where organizations are created around people, from the bottom up. It's about 'What works here' vs. large consulting models of 'What works everywhere'. It's bigger than HR or the HR Service Model while it completely reshapes HR and breaks down functional walls.

EX is centered on greater face-to-face interaction. It helps organizations become more human. Simultaneously, EX is the foundation of a Digital People Strategy.

In the end, we can be customers and employees at the same time. We believe EX is an important step in a journey towards creating the Human Experience 'HX' where we seek to understand all people around an organization.

About the authors

Elliott Nelson is a partner at KennedyFitch, a consulting and search firm promoting and building networks on the Future of Work. He coaches and advises leaders on Disruptive Transformations and building EX-Centric Organizations. He is a former global head of Talent, Learning and Organization Development at Pfizer, AzkzoNobel, Novartis, Fujitsu-Siemens Computers and Compaq.

Hannah Olvera Doman is a Research Assistant at KennedyFitch, specializing in studying how companies design and implement the Employee Experience. Hannah is working towards a Bachelors' Degree in HR at Brigham Young University, where she is also a Board Member and writer for the Marriott Student Review, and leader in the local SHRM Chapter.

KENNEDYFITCH

Executive Search &
Management Consulting

KennedyFitch
Limmatquai 2
8001 Zurich / Switzerland

Elliott Nelson
elliott.nelson@kennedyfitch.com

www.kennedyfitch.com