

The Evolution of Employee Experience



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Introduction

The way we work together is changing. There's been a lot of talk about how the pandemic has impacted the relationship between employers and employees – particularly the decentralisation of workplaces and the corresponding changes to employee expectations – but the reality is that these developments have been in the pipeline for decades. Where once employee experience (EX) was limited to providing employees with the basic tools and resources required to complete their work, since the turn of the twentieth century EX has been through several significant evolutions. Now, we're on the cusp of a major new one.

As we move into this next era of work, the most significant driver of change will be employees' increased expectations around EX. Our global survey report of 1,150 senior executives "[Closing the Acceleration Gap: Toward Sustainable Digital Transformation](#)" found that half of HR leaders (50%) are focusing on positive employee experiences to accelerate transformation across their business. As employees start going back to the office and hybrid working models are put to the test, that figure is likely to increase.

Employees want to feel connected to their company and its culture with a strong sense of belonging, regardless of their location. They want proof that the organisation is invested in matters beyond revenue and profit, from their personal career development to wider social issues. They want to be heard regularly and reliably, with oversight on the actions taken as a result. Most of all, employees want their experience to be personalised and seamlessly integrated at every stage of the employee lifecycle.

That seamlessness is essential for employees to recognise that their journey is catered to their individual needs, with the ability to adapt in the face of personal and professional circumstances. Creating a personalised, omni-channel experience elevates employee productivity and engagement, but it requires strong alignment between teams and departments. That need for better integration is why bolting an EX tool on top of your existing HR system is inherently limiting. By taking a holistic, integrated approach – one where your HR and IT departments work together in lockstep – your EX will evolve organically into its most optimised form.

A quote often attributed to American philosopher John Dewey says, "We do not learn from experience, we learn from reflecting on experience." Accordingly, to promote the strongest possible EX it's necessary to study each of its previous iterations, considering the positives and negatives of each evolution, before using that analysis to inform future strategies and their implementation. Over the course of this eBook, we'll look back at each major evolution in EX, explaining how the definition of EX has shifted over the decades before providing an overview of the factors driving the next advancement in EX and how organisations can be ahead of the curve.

From workers to people: how employee experience evolved.

What is employee experience?

Chances are, the answer you give today is a very different answer than the one you would've given five years ago, and five years before that. To predict what your answer will be five years from now, it's important we consider what motivated each of the preceding evolutions. That's where our EX timeline comes in.

In it, we'll look at the ways in which the employee value proposition has shifted, and why employee expectations carry more importance now. The employee value proposition is best understood as the partially unspoken contract between an employer and employee, covering the salary and benefits offered to the employee in exchange for their work and engagement. Over time, that proposition has changed dramatically, as expectations have expanded to include everything from professional growth to belonging and diversity. That ongoing evolution and its impacts on EX are illustrated in each of the major developments below.

1 Utility.

If we look at how workplaces functioned in the industrial era, we can begin to see where the groundwork for EX was laid. Known as the utility model, employees were given a salary and the necessary tools to complete their work in exchange for the performance of their designated role to an adequate standard. Company objectives were aimed solely at traditional success metrics such as profit, ignoring employee-centric goals such as satisfaction or engagement. HR departments typically had no say in major business decisions, instead providing only the core functions such as hiring people and accounting for their time, and ensuring they got paid.

2 Productivity.

The turn of the twentieth century saw the rise of incentivising employees to increase productivity. In 1909, Frederick Taylor, one of the first-ever management consultants, published theories on scientific management, proposing that workplaces could increase productivity by developing a firmer relationship between managers and their teams, and by increasing the level of pay for

top performers: "A fair day's pay for a fair day's work." Taylor's approaches to automating processes and using data to inform strategic decisions are both still fundamental to EX, while the necessity of assessing employee performance led to the expansion of roles and responsibilities in HR. Like the utility approach, however, improving productivity at all costs overlooks the human component.

3 Engagement.

One simple hypothesis fundamentally changed employee management: the more engaged your employees, the more you unlock your business's potential. What began as a drive for further productivity by identifying weak points in company morale using annual surveys gradually evolved into a genuinely humanist approach to running businesses. Where once the focus was placed solely on output, the engagement model understands that employees work best when they can see the value their individual work has on the business, in turn going above and beyond despite not feeling obliged to. That same engagement then leads to loyalty and advocacy – valuable assets in an increasingly competitive job market.

4 Integration.

What does high employee engagement indicate? If employee experience is best understood as the journey an employee goes through from onboarding to exit, employee engagement acts as a reliable measurement for the overall quality of that experience. In modern EX, engagement is part of a holistic, integrated approach to improving every aspect of the employee lifecycle that extends beyond HR and IT. At its core, EX is still concerned with delivering an easy-to-use platform of tools to make workplaces more productive and ensuring that employees are healthy and engaged, but now it's an active strategy. That means successful companies are proactive in defining and designing EX, rather than solely monitoring it, driving positive change in engagement, retention and the same core business metrics that concerned Taylor.

What employees expect from employee experience.

The “war for talent” has reached a crescendo in recent years. When the phrase was first coined in 1997 by Steven Hankin of McKinsey & Co., the impacts of the increased competition of a global workforce were only just being realised. Fast-forward to today, and employees have become highly selective on a multitude of fronts, partially as a result of the flexibility afforded to them during the push to work from home, partially due to the greater room for public discourse on workplaces, and partially due to the reprioritisation of values many people underwent as a result of living through a global pandemic.

More than ever, businesses need to understand the expectations of their employees – prospective and current alike.

Our report “[Employee Expectations 2022](#)” showed that between 2019 and 2020, our employee engagement platform [Workday Peakon Employee Voice](#) saw an increase of 125% in comment activity surrounding flexible working. From 2020 to 2021, that figure remained essentially unchanged.

In 2020, comments around belonging and diversity doubled in the wake of the death of George Floyd. Once again, from 2020 to 2021, those increased figures did not decline. The changes that have occurred regarding the reprioritisation of employee needs are here to stay.

Over the next five sections, we’re going to take a deep-dive into what differentiates a good employee experience from the best employee experience, offering advice on the solutions that can support your endeavours and outlining the direction to consider for your EX programme in the future. By making sure your approach to EX is designed to evolve organically alongside your employees, you ensure that engagement and retention remain high in the face of positive and adverse circumstances alike.

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For us to really understand what employees are going through, especially when they’re working from home, is a completely different lens as compared to before. I think the relationship has transformed into being more sympathetic and empathetic toward them.

Bilal Waris

Head of HR Centre of Excellence and Operations,
AirAsia



Guaranteeing the essentials.

While it may no longer be enough to think of EX in terms of the tools an employee needs to complete their job, those baseline requirements are still essential. If people have to contend with regular concerns about basic job stability or their ability to carry out simple tasks, it's unlikely any amount of perks will make for a good overall experience.

In addition to the foundational element of salary or hourly wages in exchange for work performed, the essentials can be broken into two camps: physical and experiential.

Physical essentials.

These are the literal tools we need to carry out a job, whether that's a uniform, software, protective equipment or the appropriate computer for a specific role – for example, a graphic designer will need a more robust computer than a copywriter. While it's important to consider the equity between different teams, it's more important to ensure each employee's unique needs are being met. Do you have allowances in place for specific disabilities? And do you have solutions in place that enable employees to self-report their needs? Even when considering the fundamentals, personalisation is key.

Experiential essentials.

These are the experiential factors that employees expect from a workplace. That means everything from consistent working hours to growth opportunities and a smooth onboarding process, regardless of whether that employee is working remotely or on-site. Depending on your location and industry, employee expectations in this area may include further perks, such as flexible hours or work social events. Knowing what those baseline requirements are is a large part of ensuring a seamless experience.

In both these instances, these essentials likely won't be directly appreciated by your employees – but they will be noticed in their absence. That's why meeting employees in their natural flow of work is so important, proving that you've accounted for their specific work journey ahead of time, rather than adding unnecessary steps due to lack of consideration. Don't underestimate the value of always delivering on the fundamentals.

How Workday supports the essentials.

Workday Journeys builds tailored, concierge-style experiences for employees to help guide them through important moments, regardless of their location. Additionally, Workday Help provides self-service options – including knowledge articles and self-reporting – so that employees can find the essential information they need faster.

Delivering the essentials means meeting employees where they naturally work – that's why Workday Everywhere represents the next evolution for EX. By surfacing Workday tasks and insights throughout employees' digital workspace – from communications tools, to intranets and even browsers – workers are empowered to take action faster and encounter less friction.

Realising talent performance.

One of the most pronounced side effects of the global pandemic has been the extent to which employees have reevaluated the employee value proposition, expecting more – or even just different – benefits from their employer. Our 2021 report “[The Great Regeneration: Turning the Tide on Employee Resignations](#)” found that 27% of employees were at a high risk of attrition. Further data taken from [Workday Peakon Employee Voice](#) shows that the growth scores of employees who remain with an organisation are 13% higher than the average score of those who decide to leave. If employees don’t see a path forward for themselves at an organisation, chances are they’ll find a company where they do.

The employee value proposition, as we mentioned earlier, is at the heart of the relationship between the employee and employer. Professional growth is integral to that proposition, to EX and to the employee journey. To truly feel valued, employees need recognition that their skills and expertise are appreciated and utilised by their employer, rather than being restricted by the daily function of their role. Good EX emerges when employees not only feel seen, but also supported – designing personalised employee journeys from the offset is a large part of that.

When considering professional growth, there are five questions most often asked by employees. In order for your EX programme to be personalised and sustainable, it’s important to be able to address each of them.

- 1 What structure is in place for pay progression?
- 2 Are there opportunities for me to be promoted or move laterally?
- 3 Is there a clear plan in place for my development?
- 4 Am I utilising my full skill set in this role and, if not, why?
- 5 Is there space for me to discuss my professional growth?

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In a world where money is no longer the primary motivating factor for employees, focusing on the employee experience is the most promising competitive advantage that organisations can create.

Jacob Morgan
Author, *The Future of Work*



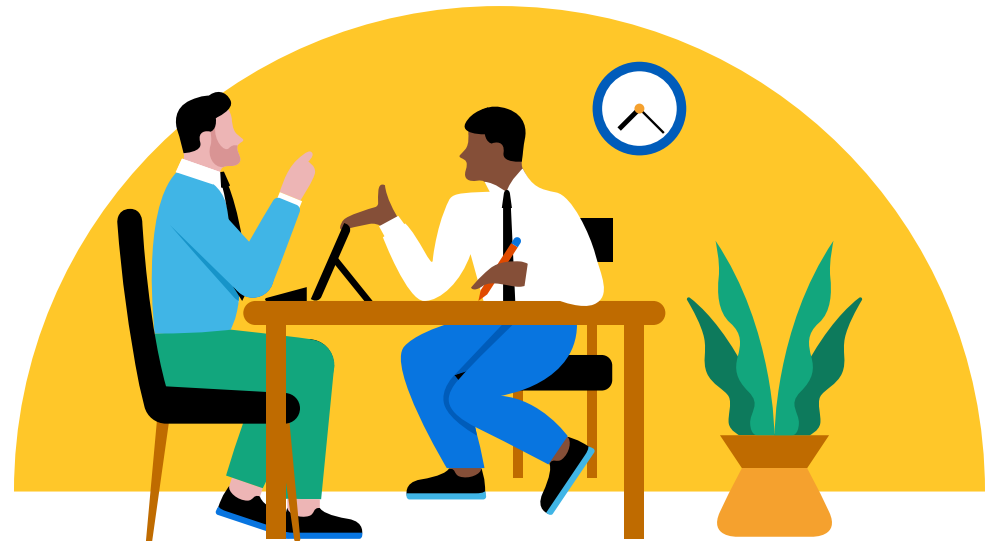
The best way to handle each of these questions is through a dedicated HR platform where employees can monitor their own progression, be paired with internal opportunities that match their skills, and have open conversations with their people leaders about growth. Our global survey report of 1,150 senior executives “[Closing the Acceleration Gap: Toward Sustainable Digital Transformation](#)” found that 43% of HR leaders aren’t confident in their team’s ability to elevate human performance with technology. For employees to see their growth potential, you need well-integrated, intuitive solutions that show them a path forward.

By working together, the offices of the CIO and CHRO can build a skills taxonomy, identify where skills gaps exist and enable employees to expand above and beyond their day-to-day workload, promoting a culture of growth. While salary increases and promotions are essential to growth, the modern worker expects far more opportunities to develop, from learning new skills to finding short-term opportunities where they can contribute expertise that sits outside their existing position. Those small moments that matter are often the key to increasing employee retention.

How Workday supports employees.

This is another instance where Workday Journeys can support your people. Organisations seeking to improve employees’ professional growth can create a journey with internal guidance opportunities, learning videos and articles, and Workday tasks tailored to each employee’s aspirations. Each employee can then take that journey at their own pace, ensuring their individual needs are being met.

To create more personalised journeys, Workday Human Capital Management provides an ontological skills cloud to give managers better oversight on job skills data, enabling them to identify skills gaps and untapped skills. Then, Workday Talent Marketplace matches employees to cross-department opportunities, promoting better development opportunities, professional experiences and connections for employees while simultaneously helping employers find internal talent.



Bridging the global workplace.

In the new world of work, it's far from a given that employees on the same team work in the same office, or even the same country. Accordingly, employers have to consider what such an evolution in the way we work together means in a practical sense – business as usual is no longer applicable. In research undertaken by Salesforce¹ of 23,000 employees in 19 countries, nearly 75% of respondents worldwide say they weren't equipped with the digital skills necessary to succeed in the modern workplace or the resources to develop those skills. A new normal requires a new approach.

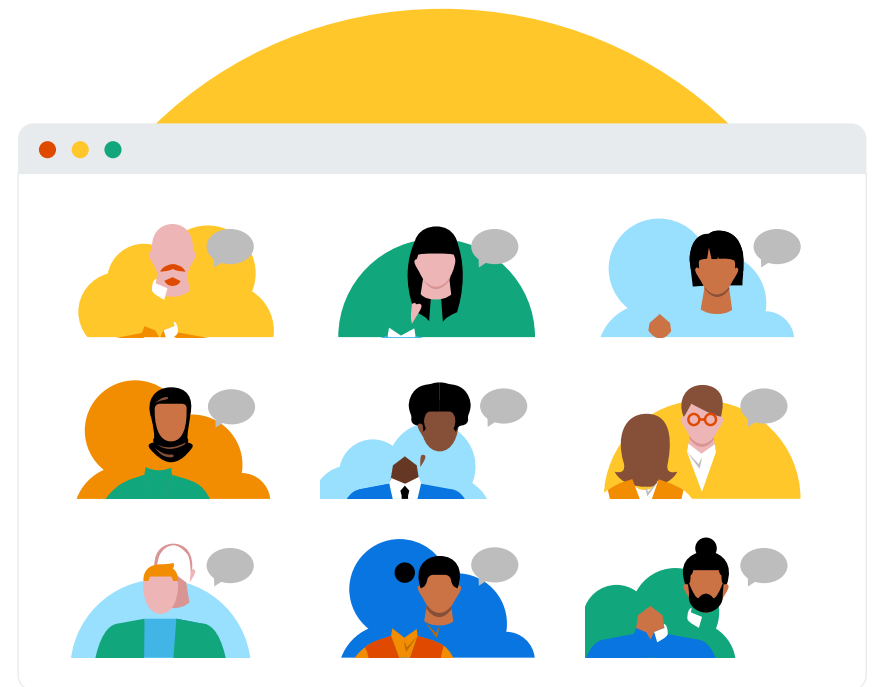
That's why a remote employee journey has to be as involved as one that's in person. More than that, you need to ensure that all the aspects we take for granted when working together in one location – shared time zones, the ease of quick communication and the structure of team meetings – are well accounted for across different countries and continents. By working together in unison, IT and HR can create a coherent company culture that extends beyond physical locations, with well-understood processes and practices and strong communication ties.

If we want to bridge the global workforce, we need to meet each employee where they work, on their own terms, and in a way that's legible to them. If disparate and disorganised systems are confusing to employees who are on location with access to IT support, then imagine how they'll seem to someone whose entire workflow is accessed through them. The power of IT is to provide employees with personalised experiences to increase productivity, align new business strategies and ignite engagement – all to create a highly adaptable organisation. The companies that succeeded during the pandemic were those where the ability to adapt swiftly was baked into their infrastructure.

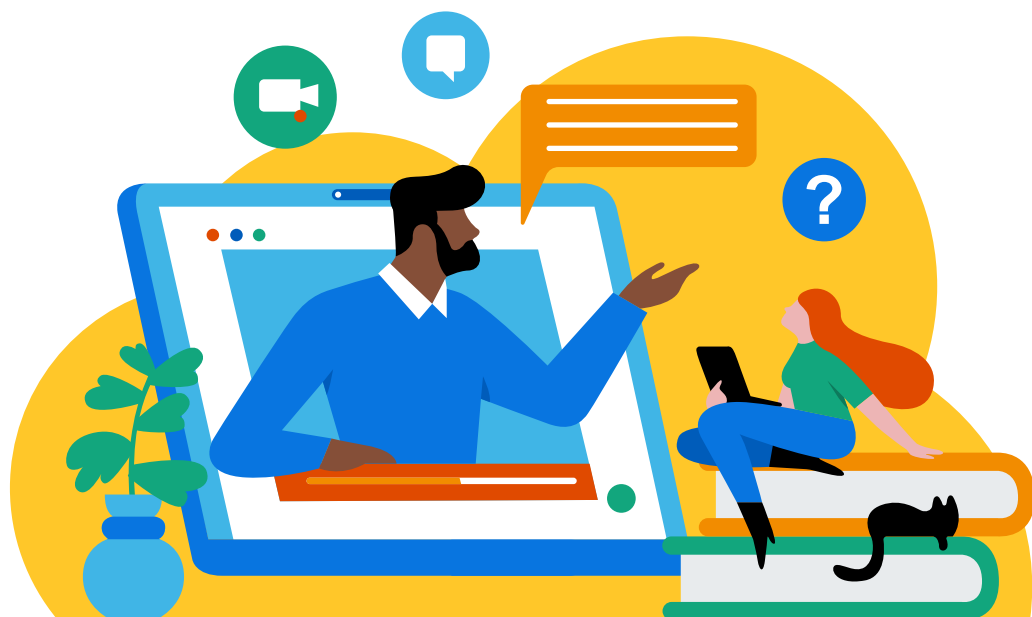
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We want to be able to give our employees access to information that's vital to make their employee experience that much more satisfying and powerful.

Tony Park
People and Culture Leader,
Viva Republica Ltd.



Close collaboration with HR is required to further understand where these cracks are forming within systems and how to best digitally replicate the existing EX. The idea that company culture is a plush office or a game room full of snacks needs to be disavowed. Instead, businesses should focus on establishing a strong set of transparent values that will direct all future initiatives and processes. In that way, a fully remote employee and someone on-site five days a week may have different experiences, but they'll still both recognise in one another the same guiding company ethos.



How Workday supports global teams.

Workday Today enables organisations to provide an intuitive and personalised experience that meets each employee where they need it. Our regularly updated, intuitively designed home page surfaces relevant tasks, applications and announcements, along with information and recommendations – completely personalised to each employee in their geography and their workflow – using cards and tasks. In that way, every employee is set up to succeed, regardless of their location.

From the HR perspective, Workday Human Capital Management unifies each key strand of HR functionality – from compensation and payroll, to time tracking and more – into one cloud-based solution. Not only that, but our network of global compliance experts monitor global regulatory requirements in over 80 jurisdictions, ensuring that your team is prepared to adapt alongside the evolving global landscape.

Cultivating belonging and diversity.

When employees don't feel a sense of belonging, they're more likely to leave. The 2022 Workplace Belonging Survey² found that of the 1,054 US employees surveyed, nearly 50% were considering leaving their jobs, with those considering the switch being less likely to feel a sense of belonging. In the previous section, we touched on the importance of creating an adaptive, personalised experience for employees regardless of their location, and that same mentality can be applied to ensuring your organisation is as diverse as it is inclusive.

An employee has to feel they can bring their full self to work in order to bring their best self to work. By promoting psychological safety where employees feel free to speak up on all manner of issues – from discrimination to workplace benefits, enabling confidential feedback and ensuring that your company has clear and readily available messaging on company diversity initiatives – you help foster a safe working space. Beyond that, working toward a more diverse workforce lets your employees know your business has values that extend beyond financial success, turning them from potential attrition risks into active advocates.

Belonging and diversity is one of the topics where generational differences become most pronounced, as shown in our report “[Employee Expectations 2022](#)”. Looking at how different generations responded to the statement, “I'm satisfied with [company]'s efforts to support diversity and inclusion”, the gap between millennials and baby boomers was most significant, with millennials scoring nearly 10% lower. What that divide clarifies is how significant each evolution in EX has been, in part due to the changing values of each new generation.

But how do you address these differences?

The first step toward achieving better belonging and diversity is, paradoxically, to take a step back and assess where your company currently stands. It can be a difficult, humbling experience to acknowledge past and present shortcomings – especially surrounding such delicate topics – but without proper diversity analytics, you can't begin to build out any sort of strategy or determine where employees need support. From there, HR can use the data acquired by IT to examine and begin remedying bias in your hiring practices, create dedicated belonging and diversity roles and cultivate a company culture where everyone feels seen.

How Workday supports belonging and diversity.

The first step to improving belonging and diversity is active measurement. The Workday VIBE Index™ empowers businesses to measure everything from hiring and promotions to sense of belonging. By viewing the data gathered through a lens of intersectionality, you can identify previously unseen issues – for example, an underrepresented community that has been repeatedly overlooked during rounds of promotions – and work to understand and address them.

In a similar vein, Workday People Analytics automatically surfaces insights across five critical focus areas, including organisational composition, diversity and inclusion, retention and attrition, hiring, and talent and performance. For example, HR might use Workday People Analytics to look at promotion rates and compensation to ensure equal opportunities for all.

Empowering the employee voice.

If belonging and diversity initiatives promote a culture where employees feel seen, then employee engagement software enables them to also be heard. In many ways, this is the most significant step because it allows employees to share their thoughts and feelings on every aspect of EX, from the utility of their equipment, to their professional development and relationship with their people leader. If there are any overarching issues with your EX programme, then an employee engagement solution will help surface them.

The crux of strong employee engagement is finding ways to empower the employee voice. As previously mentioned, employee engagement scores act as a strong corollary for how successful your approach to EX is, but truly empowering the employee voice requires more than annual surveys and sporadic 1:1 conversations. Modern engagement methodology has come a long way from when the term was first introduced in the 1970s – read below to see a comparison of the shortcomings of an annual approach and the corresponding resolutions provided by pulse surveys.

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If the company's not listening – if it's not creating those conversations – it becomes a much bigger business problem.

Pete Schlapp
Chief Strategy Officer,
Workday

ANNUAL SURVEY

- Only taken once a year
- High HR workload to process data
- Difficult to benchmark due to infrequency
- Utilises deep-dive data but only from one touchpoint
- Typically text-heavy and hard to quantify
- Takes employees 2 to 5 hours
- Typically only allows one-sided communication

PULSE SURVEY

- Usually taken once a week
- Engagement scores update automatically
- Easy internal and external benchmarking
- Reaches employees at various stages of their work lifecycle
- Offers options for numerical ratings and confidential text responses
- Takes employees 2 to 5 minutes
- Enables people leaders to respond while maintaining respondent or employee confidentiality

By utilising a platform that gives you real-time employee sentiment data, you can get a better grip on the biggest factors impacting employee engagement. Then, you can use that same data to address any major outstanding issues, and better implement future initiatives to increase engagement and reduce the likelihood of employee turnover. Not only that, but you also create a confidential space for employees to request support with employee well-being, and belonging and diversity.

By regularly asking employees what they think and giving them the opportunity to respond in the natural flow of their day via well-integrated solutions, you always know that your EX programme is heading in the right direction.

How Workday supports employee engagement.

Workday Peakon Employee Voice provides a continuous listening platform for organisations to harness the voice of the employee in real time to gauge engagement levels and gather employees' concerns, feedback and sentiment. These to-the-moment insights then form the basis for automatically generated manager actions, ensuring people leaders and team members feel supported alike.

With our adaptable business capabilities, you can support employees as they work, removing friction from processes and interactions with web, mobile and chat interactions. Leveraging the intelligent data core and machine learning, Workday Enterprise Management Cloud Platform further surfaces personalised interactions using relevant reminders, intuitive wayfinding, and prompted task and process navigation. All data stays in Workday, with access informed by an omni-present security model, ensuring every interaction is secure.



The next evolution in employee experience.

How businesses evaluate the significance of employee experience is changing. The 2021 Edelman Trust Barometer³ found that 40% of the 33,000 respondents ranked employees as the most important stakeholders to long-term company success, compared to the 34% who ranked customers as most important. That marked the first year employees outranked customers.

What should be clear from each of the previous sections is that the next evolution isn't hypothetical – it's well under way. Bolting an employee experience tool onto your existing HR system is no longer enough. The groundwork for the new standard in EX is already being laid. Whether or not businesses decide to take action now will decide the success of their future EX initiatives, and how easy the transition to a hyper-personalised approach will be.

The organisations that succeed will have the tools in place that openly connect and communicate to provide the right experiences at the right time, in the right context, delivered to employees where they naturally spend their time, thanks to a strong relationship between IT and HR.

The organisations that succeed will surface relevant to-the-moment insights, measuring sentiment across all aspects of the employee experience and utilising secure, confidential employee data to enable automated actions and adaptive strategies.

The organisations that succeed will provide uniform access to their employees, regardless of location, adapting to the needs of each job type depending on where the individual is in their employee journey.

Meeting each of these needs requires close collaboration across CIOs and CHROs to effectively support strategic objectives with innovative technology solutions. The future of EX is in creating consumer-grade omni-channel experiences where employees no longer have to grapple with multiple applications or clunky interfaces. If there's one key takeaway from this eBook, it's that the best employee experience is one that's scarcely noticed, where each employee feels that their needs are being met without resistance, and where any requests or tasks take place as part of their natural daily workflow.

By freeing them of unnecessary frictions, each employee will have space to develop into their most satisfied, most engaged selves – and in turn, your business will flourish too.

For more insights into how Workday can help you empower your employees by delivering the employee experience your people deserve, learn more about our [employee experience solutions](#) here.

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Involving employees in the change process is critical to ensure its success. Otherwise, change is something that is 'done' to employees, instead of for them or involving them.

Dr. George Margrove
Senior Principal Psychologist,
Workday Peakon Employee Voice,
Workday

End notes

¹"New Digital Skills Index from Salesforce Reveals 76% of Global Workers Say They Are Unequipped for the Future of Work"; Salesforce, 27 January 2022.

²"Workers agree, a sense of belonging at work boosts productivity"; Ipsos, 24 January 2022.

³Cydney Roach, "Employees Now Considered the Most Important Group to Companies' Long-Term Success. What Are the Boardroom Implications?"; Edelman, 20 May 2021.



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