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The Time Is Now For Employee Experience

Insight on the the evolution, business case
and tech stack of HCM's newest category.

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Business after 2020 looks different. In a very short time, leaders have had to completely reevaluate everything - technology, work approaches, office locations, leadership styles, diversity initiatives, and employee safety, while balancing massive global and social changes to their customers and market.

Most organizations' initial response was led by public health restrictions, mandates, and incredibly reactive. Today, companies realize what was expected to be short term changes will continue. Strategic leaders in large and small companies are looking not just how to react but also how they can collect, measure, and improve their actions proactively and respond to employees' needs using data analytics and feedback. How can they enable their workforce to do their job and feel connected, on the front lines, or in a home office?

This shift in mindset is the essence of Employee Experience.

For decades, organizations have understood and measured the value and impact of Customer Experience (CX). Using metrics like Net Promoter Score (NPS), customer acquisition cost (CAC), sales qualified leads (SQL), customer satisfaction scores, surveys, along with online review sites we have a clear understanding of the customer journey from prospect to customer. The analysis of each data set, and its relation to revenues, allowed each department (marketing, sales, product, and customer service) to make adjustments that enhanced their customers' experiences, with the bigger goal of creating a business impact for stakeholders.

Executives, leadership, and investors became comfortable seeing the metrics and discussion about these numbers, and creating correlations to profits and "success." When things weren't going right, companies dove further into the numbers and found areas to fix, improve, redesign, rebrand, and replace. There was so much focused on identifying and measuring the right external and customer metrics with little other context to internal influences around talent. In many cases, this caused things to be "fixed" that didn't need to be fixed. In reality, the lack of quantitative data presented by human resource teams around current employee populations simply failed to be introspective. They neglected to look at their employees and contingent workforce with the same level of interest and attention to detail they spent on prospects and customers.

Business analytics software made it easy to miss the core of excellent customer experience: its *people*.

Today, most companies are still struggling to fully realize the link between their customer metrics (CAC, NPS, Customer Retention), employee metrics (Employee Satisfaction, Engagement, Retention/Turnover, Referral Rate) and financials.

Analyst Note:
As the new economy moves forward, it will be vital for leaders, investors, and employees of all organization sizes to understand those correlations and how to use them in strategic decision making.

Beyond merely understanding the correlation, the more challenging part, especially for HR teams, will be to make changes in a rapidly changing environment. The employee experience will be at the center of these changes, just as we have made strides in the customer and candidate experience over the last decade.

When done correctly, employee experience is not a human resources initiative or even a simple piece of HR technology. It is far more than a user interface on their work software or annual survey results. Employee experience is about the fundamental way an organization chooses to value and treat its employees, contractors, temporary workers, suppliers, and its entire ecosystem of talent. It is about how the employee is empowered, engaged, encouraged, and energized each day to not only do their best for the company but also themselves.

In this paper we will discuss



Employee Experience's Evolution



Business impact of Employee Experience



Employee Experience Technology Insights



Talent Management Evolved into the Employee Experience

In simple terms, Employee Experience is the natural maturity of talent-management programs to meet the needs of today's society. Talent management was first defined back in 1998 by consulting firm McKinsey¹ to help companies improve their hiring and retention during "The War for Talent," which was expected to last 1998-2018. Its messaging was focused on providing employee value propositions and having an attractive workplace. That concept has moved into an entire consulting and technology industry for employment branding, learning & development, performance, compensation, succession, recruiting, and onboarding.

But none of those areas was really about the whole person at work: their engagement, their satisfaction, their wellness, and their opinion. It was about attracting new talent and retaining them - but still focused more on the value to the company. The statement of values and attractive workplaces (taken by so many organizations to mean a ping-pong table, for some reason) was supposed to be enough for the employee. Millions of dollars were spent, but they often missed the mark.

While this was occurring, in the consumer technology segment, sites like Facebook, Twitter, Glassdoor, Tripadvisor, and Yelp were becoming the norm. The unique thread between them was the immediate feedback and engagement the person got from participating in them. The introduction of smartphones more broadly in 2009 only advanced this expectation of immediacy, and it almost immediately carried over to work. The feedback culture was emerging.

The existing talent management technologies and strategies were not fully prepared to handle this rapid societal shift in our workforce's expectations. The annual employee-satisfaction survey and core talent-management suite, which has looked relatively unchanged for decades, short some UI redesigns, were suddenly being augmented with point solutions, designed to look at employee engagement and collect feedback. As available engagement data emerged, the satisfaction numbers that had historically only been connected back to retention were reassessed more broadly. While employee engagement has been linked to customer satisfaction outcomes in research as early as 2002², the new technology stack allowed for broader access to the data within a variety of companies.

While employee satisfaction had told a company how content they were with their role, benefits, etc. - it lacked the next level of detail to help you understand their commitment level. An engaged employee is content and connected with the company, customers, and a bigger vision. Organizations needed insight to both satisfaction and engagement to evolve.



Employee engagement was getting closer to the actual employee experience. However, it is only one outcome, and still not enough for the full impact that could be felt on corporate success through an authentic employee experience strategy. In 2019, Josh Bersin, Founder of Bersin Academy, discussed including *engagement* as a subset of employee experience. Consistent with our views at Accelir Insights, Bersin also believes that employee experience is not a “program” -- which is how many buyers of HR technology and human resource teams, in general, were contextualizing it.

What was expected to be an integration between talent management and employee engagement tools is leapfrogging both markets into a rapid evolution of both, and the broader category of employee experience.



The Business Impact of Employee Experience

Employee Experience is not about HR. It is as much about the success of the “whole” company as it is about the “whole” person. If employee experience is just another human resource-led initiative at your company, it will fail. It needs to be a part of the culture, and at the core of every decision, your organization makes. This top-down commitment to the employee experience is a way of senior executives saying, “We care about you as a whole person and know we succeed when you succeed.”

Limeade Institute research found employees who felt cared for were likely to recommend their organization as a great place to work **91% of the time compared to just 9% of those who didn't feel their company cared.**³

The way companies hire, manage, promote, and engage their workforce is now being watched and criticized by investors, employees, and customers. The expectations of a business to not only care about their employees as people, vs. “capital” is a critical component of employee experience but the employee experience also touches on areas as diverse as social responsibility toward the environment and has been shown recently via CEO pledges towards diversity and inclusion changes⁴ and reinvesting in employees as stakeholders⁵. Even the SEC has stated that “human capital reporting” may soon be part of the reporting requirements for public companies⁶.



Additional research by Willis Towers Watson also shows a definite impact on the financial benefits of a strong employee experience program. While the initial return on assets between poor, average, and strong employee experience programs are conservative, when you start looking at profits, the change in gross profit margin is as much as a 13 point swing.

New prospects - both future customers and future employees - will see the actions you're taking with your workforce, feel the difference by your workforce, and choose you for the impact of that workforce over a competitor. Reduced turnover, higher customer retention, and lower customer acquisition costs translate to higher revenues. These all create shareholder and stakeholder satisfaction and value. It can't be said enough: a commitment to Employee Experience is about a long-term commitment to success for all parties, for everyone.

In his book *The Employee Experience Advantage*, Jacob Morgan found companies with highly effective Employee Experience cultures had four times higher average profits, two times higher average revenues, 40 percent lower turnover, and 24 percent smaller headcount than those with little to no care for Employee Experience.⁷

Analyst Note:

An ideal Employee Experience is built upon how your employees are empowered, engaged, encouraged, and energized. It's not just how you treat employees but also how you behave as a company in the greater community, society, and world.

Selecting Employee Experience Technology

Employee Experience software - a category still in its early years - has moved beyond the basics of traditional talent management software (performance, learning, succession, compensation, onboarding) to technology that is becoming more holistic and focused on the whole person behind the employee number. It touches both professional, personal, and productivity-related areas of your employees. The right tools and approaches are what can take your company to one that is experienced by the business impact discussed above. Selecting technology that isn't a fit for your employees' specific desires, goals and approaches will not allow you to realize the full benefits.



While technology has changed a lot in the 20 years we have been researching, buying, and setting product strategy, the rapid movement over the past few years in design and execution has been one of the most influential periods. Here is a baseline you should expect from any human resource technology solution you look at - inside or outside the Employee Experience category.



Consumerized Experience

This is all about how it looks and feels. In the tech world, we call it the UI (User Interface) and the UX (User Experience). The only thing you should care about is if it is simple and easy for your employees to use. An easy way to check that out is to think about the product. It should not be harder to use than an app they can download on their phone. If a vendor disagrees, it is likely because they have not put a lot of thought into the user experience. More Employee Experience solutions are becoming open, plug-and-play platforms where you can add and delete apps as your team sees fit, often with different groups using different third-party apps *without* sacrificing privacy or security.



Personalization

Personalization is the next step of consumerization and is already driving consumer experience with technology, which is why we must offer it to our employees. One of the issues with Employee Experience and talent-management software over the last few years has been that it tends to take every employee *on the same journey*. That's not sustainable with an increasingly remote workforce, an increasingly diverse workforce, and five generations currently working at the same time. We will see Employee Experience solutions focus more on personalization efforts in 2020 and beyond.



Data Analytics

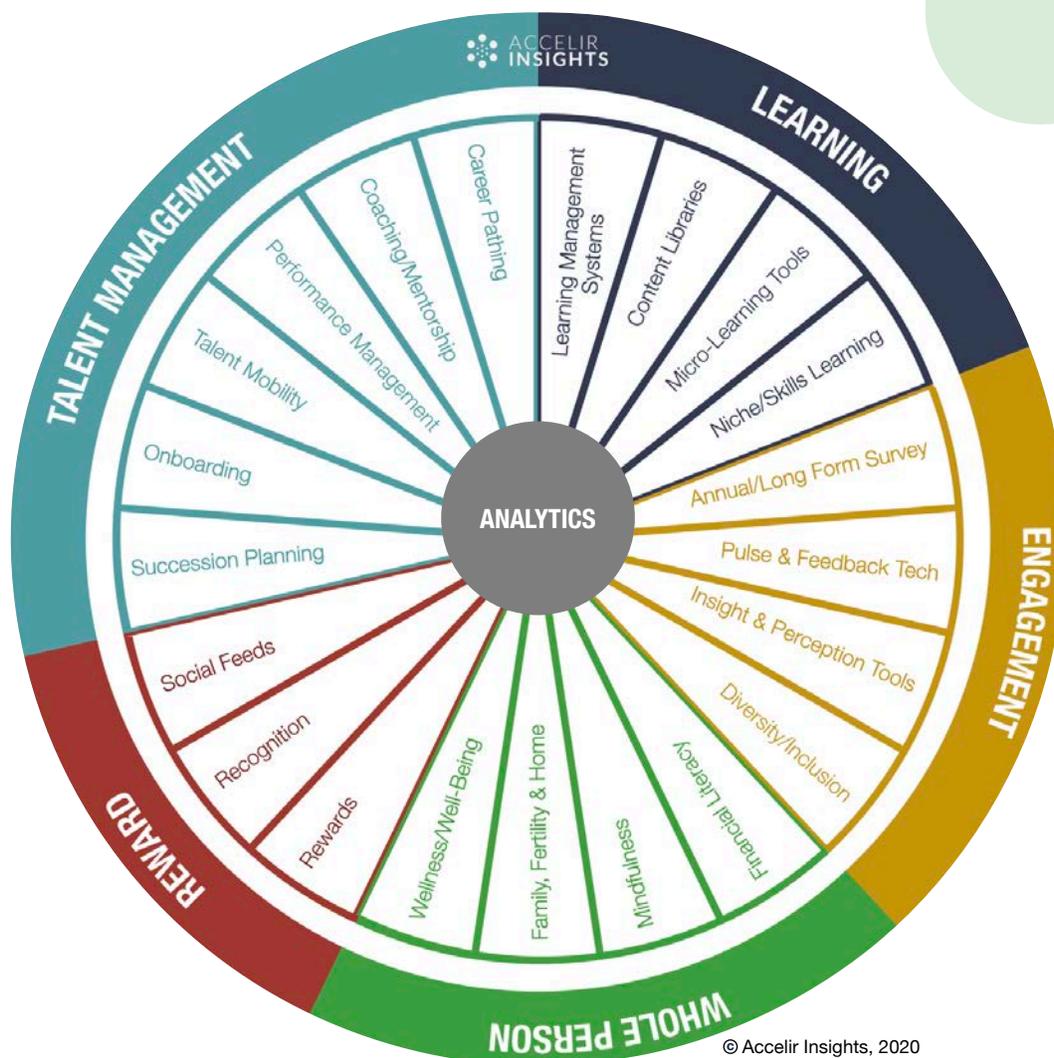
Any software you use is collecting data that would be beneficial to your organization if you can harness it. A basic level of reports and custom report options are crucial and minimum at this point. The output should be accessible for your team to do and not require the vendor, a custom report writer, or a full-time employee.



The Key Features of an Employee Experience Tech Stack

Selecting the right Employee Experience technology is all about focusing on the modules and areas that matter most to your organization. You likely don't need all of them, and this list is not inclusive of every technology category that could exist in employee experience. Use this as a starting point or primer for each of the categories.

Employee Experience Technology Framework



The employee experience tech stack consists of five key categories: **Whole-Person Tech, Rewards & Recognition, Learning, Talent Management, and Engagement.** Each of these categories has robust subcategories underneath, filled with a multitude of vendors and technologies to address. We dive a little deeper into each of the following categories and subcategories.



Engagement Technology

For many, engagement is a generic term used instead of experience when talking about employees. That is due to how much of our early conversations around employee experience was rolled out. Employee engagement is a technology designed to look at the health of the relationship between employees and employers from a qualitative and quantitative perspective. It is also a place where employees can share and provide input and feedback to their employers beyond more formal channels. The two big categories within surveys and insight are long/annual surveys (traditionally what we associate with polling employees) and pulse surveys, which are shorter in length and go out much more frequently (weekly, monthly, quarterly). Nearly all software that does one can do the other at this point, to varying degrees of effectiveness.

Employee Engagement/Satisfaction Survey

The most common experience with engagement is the hours-long annual employee satisfaction surveys that took extensive resources - both time and money - to complete, only to be met with a lack of follow-through and awareness. These long-form surveys are still a vital part of most organizations' engagement strategies and used for national awards and recognition like "Best Places to Work." The longer-form survey can now be done in-house at many companies thanks to the technology that no longer requires a consulting firm or third party to adequately manage it.

The benefit to these longer surveys is you can get an at a glance snapshot of several areas within your company at once. Companies that utilize these longer surveys effectively should also use pulse or short-form survey to dive in to specific areas for further clarification.

Pulse Surveys

Unlike the long-form technology, pulse surveys are not typically as scientifically driven and often more limited to a small grouping of questions around more specific topics or segments of your employees. They can be as simple as a manager polling his team on a problem, or more in-depth as a company-wide grouping of questions around benefits changes. In any event, they can be created and rolled out in minutes by anyone with access to do so.



Given the reduced resources needed to produce pulse surveys and their timeliness, they are becoming more popular with organizations both in and out of human resources. Annual employee surveys are being modified to make sure they can be used as a method to both benchmark change and identify areas for improvement. Pulse or short feedback surveys can be used for candidates, employees, and contractors to give real-time insights into what is and isn't working.

Analyst Note:

It is important to note if you're going to survey - even if it's a pulse survey - you must offer some level of transparency and show that action is being taken in reaction to the responses. If surveys are consistently sent out and nothing seems to change, you will eventually see a large reduction in survey participation, rendering the tool mostly useless.

Feedback and pulse technology is even more critical with today's dispersed work teams, more people working from home, and front-line hospitality and retail workers being placed in more challenging situations than they were just a few months ago. Understanding their comfort levels on everything from PPE access to technology to connectedness can be done simply and efficiently, allowing you to respond to needs with immediate feedback.

Diversity & Inclusion

Many companies invest more in the marketing of how inclusive they are than on actual initiatives that improve diversity and inclusion at their companies. 2020 will correct that error. We have seen an overdue, unprecedented pushback on the status quo and a demand for a level of accountability that most businesses have not been held to.

2020 is the year where diversity initiatives change from a number to real inclusion. We have all heard the impact that diversity has on business outcomes, but inclusion plays an even more significant role. When employees genuinely feel a sense of inclusion at their organization, they are 28 percent more engaged and intend to stay three times longer than those who don't.⁸ Inclusive organizations are also six times more likely to be innovative.⁹

From an employee experience perspective, inclusion technology needs to be measurable and have a dual approach - educating and listening. Today's DEI tech provides micro-learning opportunities for all employees and surveys and feedback from employees to leadership. This approach offers measurable insights and identification of areas of improvement for companies looking to make their workplaces more inclusive.



The broader category of DEI technology is more limited than I would like, but getting better, with a lot of movement over the past few years. Some vendors of note include - TalVista is helping eliminate bias during the hiring process; Ultimate Software has announced a focus on accessibility focused on inclusion for workers with disabilities; and Limeade has a tool that offers micro-learning and tracks inclusion sentiment and insights to recommend and deliver strategic activities that employees, managers, and leaders can participate in to take action in just moments a day in an ongoing way.

The fragmentation in this sub-category across the candidate and employee lifecycle will likely result in many organizations having a few different D&I-focused technologies to cover candidates to employees. Like with Ultimate and Limeade, expect some DEI technology to be part of a larger platform.



Whole-Person Tech

Whole-person technology is developed to be inclusive of the employee's physical, emotional, financial, and work well-being. It can be used from a physical health perspective (like step challenges) as well as address the ever-important impact of mental health, financial stress, and emotional wellness. To thoroughly improve the Employee Experience, organizations must create support for well-being across the organization - from managers to executive leadership, to peer networks, to the physical environment - that permit employees to prioritize their well-being.

There are four main areas within the whole-person tech category: Wellness, Mindfulness, Personal Development, and Family Tech. Each category impacts the employees' work well-being.

Wellness or Well-Being Technology

Wellness or Well-Being is the most mature of these categories within the enterprise, with some existing platforms that have been around for a decade at this point. The term "wellness" technology seems to have become the catch-all for what is more whole-person technology.

Well-being technology is a unique category of technology that provides organizations with the technical infrastructure to manage the wellness of their employees while providing resources and often incentives to maintain or gain healthy lifestyle changes.



For some companies, employees see this tangibly through programs like step challenges or smoking cessation programs. In others, their wellness technology is connected with their other systems of record and health care providers to identify and manage stress, turnover, and even leadership challenges to provide coaching and feedback to improve the business.

Mindfulness

Stress today is at record levels, and that stress is carrying over to work. By 2018, the United States was already one of the world's most stressed countries, with 55 percent reporting they had experienced stress during much of the day.¹⁰ By the spring of 2020, COVID-19 was not the only epidemic plaguing Americans. Mental health issues ranging from depression to anxiety to stress had become so prevalent that the texts to the government mental health helpline had increased by 1,000 percent year over year.¹¹

- *Texts to the government mental-health helpline had increased by*
- *1,000 percent year over year.*

Mindfulness technology gives employees access to tools and guided programs designed to help them refocus, reduce stress, and be more productive both personally and professionally. They allow the employee to decide the area of focus and are not a top-down technology, rather a benefit-driven technology.

Family Tech

Family technology is a broader category that encompasses several different types of technologies around family dynamics. Today, there are options for fertility, childcare, parenting, and even pet care. This technology is usually run as more of a point solution app at this point. It is designed fully to make life easier for the employee, again reducing the overall impact of stress and outside challenges.

Financial Literacy

The largest area of stress for most employees is personal finances.¹² A study by the Federal Reserve in 2018 found that 40 percent of Americans would not be able to find \$400 in cash or credit card to cover an emergency expense.¹³ Even among higher-income workers (those earning more than \$100,000 a year), more than half state that debt and unexpected expenses are a point of stress that impacts work.



For women and minorities, the disproportionate pay and opportunities for advancement further impact this stress. PWC found that women are 20 percent more likely than men to carry high levels of financial stress. Organizations that take an authentic look at their diversity and inclusion practices must include fair pay practices, including compensation rebalancing if not currently aligned, and offer financial literacy programs for all employees.

The impact for organizations goes beyond the personal wellness and morality of the decision as employees' financial stress has a direct effect on the business's bottom line. Morgan Stanley research found 78% of employees with high financial stress say it is distracting their work performance.¹⁴ Hours each week are taken away from productivity and focus due to financial stress and money management challenges. A PWC analysis found in a company with 10,000 employees just 3 hours a week of distraction by 30% of the workers around finances would equate to more than 3 million dollars a year lost. Not to mention the health costs, absenteeism, turnover expenses from burnout, and customer service impact that gets experienced.

From a technology perspective, financial literacy programs come in a variety of designs. Some are focused on basic financial literacy and education; others are more practical, helping with budgeting, debt reduction, and savings. The final group goes beyond that to focus on retirement and investments. There are options for wherever your employee needs to be met.



Learning Technology

Companies that frequently appear in “Best Places To Work” lists, such as Google and Mercedes-Benz, tend to focus on training above all,¹⁵ and the learning market is arguably one of the most mature technology categories in the global HR technology market - but that doesn't mean it isn't evolving. Over the past decade, we have seen an evolution of products that have come to market and expect to see widespread consolidation in this category, specifically as the buy vs. build approach for many traditional vendors will be easier and faster than starting over.



Learning Management System (LMS)

A Learning Management System (LMS) is the core of many organization's learning and development offerings. These technologies range from an online technology to manage custom created, or a partner purchased content to solutions now that come pre-loaded with some basic professional development type technology. In general, these are the most mature of all technology categories on this list, and you will find the most significant disparity between vendors - both in price and in offerings. Many options now offer unique and curated learning opportunities to employees that can be accessed in person, online, or via a mobile device.

The CEO of Dropbox,¹⁶ a company known for perks like gourmet chef, free meals - even massages, found after surveying employees that they didn't care about those perks "as much as executives thought: what they wanted was investment in training, leadership, and tools and systems to make their work more productive."

It is often targeted for direct development related to an employee's job, with development tracks and compliance a crucial part.

It is worth noting that Content Services are a category among itself as it is what fills the traditional LMS. Content partners through an LMS offer a lot of professional and skills training for workers and are essential in reskilling efforts that will need to take place.

Micro-Learning Tools

In Employee Experience software, the "learning" component may be a full LMS, but it is often a more scaled-back version that works in partnership with a true LMS. The new approach uses micro-learning and daily guided experiences - similar to what you would find in consumer app technologies like Noom to deliver short-form education on various topics. These short training or guides are based on information an employee has already shared, or the organization feels is essential for everyone to participate in. They are often part of a technology vendors library of options, designed in partnership with experts and scientists and are rarely unique or customized to that organization - giving a faster implementation and less effort on behalf of the company. They are more focused on personal growth, development, or improvement, and less on the compliance or training side.



Niche Learning Tools

A number of the companies have come forward specializing in the learning and development of employees in one particular area. Products like Lessonly moved into the market as the experts in training and development for sales and customer service teams. An addition to, not a replacement of the organization's core LMS. Other products are aligned with our whole person tech category like budgeting or financial literacy. Niche learning platforms carry a broader focus on and have micro-learning offerings in multiple niche areas that impact both personal and professional like wellness, stress reduction, and diversity education.



Rewards & Recognition

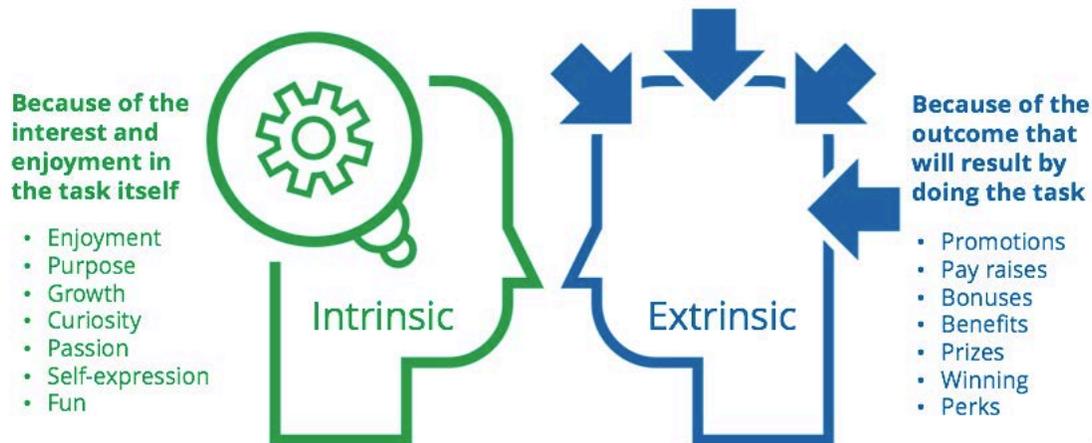
What each company considers rewards & recognition varies tremendously, but in general, today, these solutions offer a way to acknowledge, thank, encourage, and applaud employees. These areas are often part of the same product, but they are two different types of solutions, and you are finding more and more recognition tools built into other employee experience technologies. This market has matured nicely over the last decade and come a long way from the paper certificate you used to get for years of service.

The key to success when rolling these products out is change management and using them. They need to become part of the core business to have a substantial impact. When used well, these areas of feedback can be used as part of annual reviews to allow a manager to see the broader impact an employee may have than what they can see.

When looking at rewards and recognition software, the communication aspect is critical. Having a public board or “feed” within the software where people can have those kudos show up is small and often minimized by decision-makers selecting software, but has a significant impact on the employees. Gallup has called it the “low-cost, high-impact solution” to many employee issues.¹⁷



Intrinsic vs. Extrinsic Motivation | Why We Do What We Do



Source: Limeade 2019

Finally, it is important to remember that there are both intrinsic and extrinsic motivators that impact the employee experience. For many years, rewards and recognition was primarily based on the extrinsic factors like a bonus, a prize or certificate. Intrinsic rewards such as added training opportunities, new projects to work on or being able to share a skill with others was often overlooked. Today's products in this category have added features within them that can support and motivate employees through both intrinsic and extrinsic ways as part of a larger suite of tools, or integrated in with other solutions in the employee experience tech stack.

Reward Products

Reward products always include recognition as well but are commonly used with rewards and incentives options, which tend to be correlated with bonuses, gift cards, or other monetary, extrinsically-driven motivators. Rewards are no longer about time on the job as we have become a more mobile workforce. Rewards can be tied to a whole host of options and customized to include everything from volunteer time to mentoring new workers. Many organizations allow employees to “bank” points to earn things like time off, lunch with an executive, or a gift/financial reward, tying together the recognition and rewards more closely.

Recognition Products

Recognition products are often mixed in with some systems and have the most overlap of the two. You will find a basic version of these in many of the Employee Experience umbrella of products and a number of the talent-management suites. A recognition product should allow for recognition (badge, positive note, thank-you, etc.) to be shared across the organization. They are not exclusive of a manager to an employee like a performance review would be. You commonly see co-workers or cross-functional teams sharing appreciation, thanks, and recognition to those who have helped them. The impact tends to be more intrinsically driven and doesn't necessarily correlate to a financial reward.



Talent Management Software

Likely the second most mature subcategory on this list, talent management software is really where the broader concept of employee experience has emerged. It is the core technology that focuses more on the business or work portion of the employee and less on the broader person at work. It is no less or no more important than other technology areas when looking at a holistic employee experience strategy.

Traditionally, talent management software starts and ends when an employee is hired or leaves a company, and the categories of technology in this grouping are no different. There are no talent management vendors that currently exist that also do the remaining portions of employee experience, so this will likely be similar to tech you already have in the house and will be connecting to. Some of these are not part of the legacy “core” talent management system and are available both from traditional vendors as well as point solution vendors as a partner offering.

Talent Mobility & Career Pathing

Talent mobility and career pathing tools put the concept of succession management in the hands of the employee. They allow an individual contributor to identify the next steps or lateral options that they may be interested in, express interest in unique projects outside their scope of responsibility, or move into a new role in a new area of the company. These tools are a very new segment of the market but are having a strong ROI for companies that are utilizing them correctly.

One of the pioneers in this segment was Fuel50, whose talent mobility and career pathing tools also allow employees to research types of jobs and identify where their own skills gaps may be so they can proactively work on them and do development via their LMS or other outside resources to take the next steps of their career, without waiting for someone internal - like in the case of succession planning - they would have too.

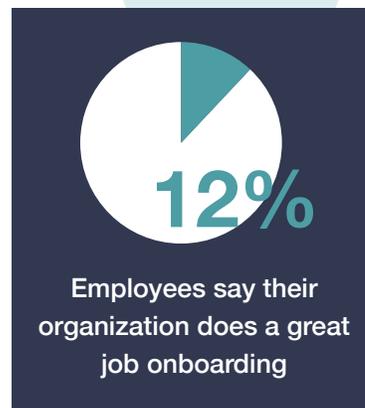
The next evolution of this concept I hope to see start rolling out soon will include gig workers, freelancers, retirees, and alumni to come in on a project by project basis to work with your company. In the same capacity that internal talent should be able to raise their hand for a new project - imagine running your project board for people you have a history of working with and can jump in quickly. It would function both for mobility, but also as a potential recruiting tool and as a way to retain knowledge drain that may happen as people leave your organization for any reason.



Onboarding

Onboarding has been broadly overlooked since the mid-2000s when an initial leader emerged. As the market pulled back and onboarding moved from point solution into recruiting or talent management platforms, the quality of the technology has stayed relatively stagnant compared to the growth we have seen in other categories. While a few solutions have popped up, there has been little understanding of its value or the actual impact it has on the business and employees. As such, few companies have developed robust onboarding programs that go much beyond orientation and some basics. I cringe when I hear vendors talk about the online forms and how it can speed that process up. Yes, it can do that, but that is not where its real value sits, and that outlook is why onboarding is so frequently overlooked.

A robust onboarding program also lasts longer than a day, week, or even a month - It often lasts 90-180 days and starts from the date of hire, not the employee's actual first day. Only 12% of employees would strongly agree their organization does a great job of onboarding new employees¹⁸ - a shocking number from a business ROI perspective when we understand that organizations with a strong onboarding process improve new hire retention by 82% and productivity by over 70%.¹⁹



The first step is to simply use something. There is no reason why paperwork or administration is handled on day one of the job. The first day of work is an opportunity to reinforce the culture, build relationships, and create an experience. Step two: don't only use technology for forms and paperwork. This generation of onboarding is all about the experience and immediate engagement (as discussed above, regarding consumer applications). Onboarding gives people a chance to see their co-workers, watch a video from their new manager, find out where to park/eat/shop, and so on (depending of course if it's a remote job or not). It is about socialization. With less and less in-person interaction allowed, and more teams and companies moving remote, this socialization and relationship-building portion are even more vital to make new hires feel connected and engaged as part of their team and company.

Succession Planning

Traditionally only used at the executive levels to identify who would replace key-leaders within the organization, access to insight technology, and more robust succession planning tools are changing that. Today, technology can quickly and easily allow a company to identify potential backfills and succession areas across all key roles within an organization.



When strategically used with an LMS and talent mobility and career pathing solutions, it can even identify prospective gaps to allow for training and development of those in-line for succession.

Coaching & Mentoring Software

A breakout from learning, coaching and mentoring software is making its place under the Employee Experience umbrella. This new generation of technology allows companies to scale coaching using AI and bot technology, providing recommendations to either drive upcoming modules for employees (concepts they still need to master) or further connect them with mentors or professional coaches.

Pilot Coaching won the *HR Technology Conference* startup competition in 2019. It has an impressive list of companies as clients; other recently funded startups like Imperative²⁰ are more focused on enabling managers to offer coaching and mentorship with remote teams.

As an analyst, when I see multiple variations and levels of success like this in a relatively empty market, I can expect to have several others follow in the next 18-24 months. Where I see the roadmaps headed is a version of this as mentoring software and more use internally than as an external resource. Companies with a high number of knowledge workers should not overlook the impact and value of providing external coaches to high-potential or even junior-level employees. More formal coaching programs often overlook them, and this is a more affordable option - impacting retention and engagement. This is a category I expect to expand and will have a significant impact and ROI on companies that implement early.

Performance Management

The annual performance review was often used without a lot of strategy or opportunity for growth, and more for compensation changes. Newer generations of performance-management technology offer annual reviews built around competencies and skills related to the job. They have built-in coaching for managers to ensure consistency in reviews. There are also variations of the review that allow quicker, more frequent touchpoints between managers and employees.

This new approach aligns with Employee Experience expectations better and will allow for real-time improvements before they become more significant problems. You will find performance-management tools in many of the Employee Experience products and whatever you use for your core HCM/talent-management solution. There is a discrepancy in quality between vendors, but the core products typically have more robust options if you have a particular process or unique needs. Make sure you look at both.



There are also a few key notes specific to researching and selecting employee experience technology to keep in mind as you start looking to mature your broader employee experience and selecting technology to support those initiatives. Keep these factors in mind as you read through the tech stack features, conduct product demonstrations, and read marketing material and feedback online:

- 1** Your company will have specific, unique needs and expectations to measure impact and improve the employee experience for its workforce. What you read on social networks, user groups, blogs, and rating sites may not be as relevant as with other HR systems. Taking the time to demo various systems and learning from the vendors is valuable, far more so than an RFP would be. These technologies are about your people - not merely a process automation, like most HR technology solutions.
- 2** You will likely need to layer and/or integrate solutions. Most of these features do not exist in a full-suite HCM or talent-management solution and will not soon. There is also no such thing as end-to-end employee experience software that encompasses all of these features.
- 3** Each vendor in this new generation of Employee Experience software has considerable overlap. They each originate from their area of strength. Identify the parts that are most and least important to you. Select one to partner for your core solution and build from there.
- 4** Vendors, bloggers, and even users are using interchangeable terms that are not interchangeable - they may be similar, but they are not indeed the same. Approach evaluations with the goal, not necessarily the “word” in mind of what you want to do, it may be called something different in various places.

Conclusion

Technology for employee experience has evolved rapidly. Initially, the “tech” was only focused on simplifying the user experience (ex. overlays, help icons). Today, it focuses on technology that not only values the whole person but provides data and analytics for a company to be able to review and self-audit where improvements are needed to continue delivering solid employee experiences. The result is positive for employees, customers, and shareholders.

If the first half of 2020 taught us anything as business leaders, it is that some things cannot merely be solved with some marketing and PR dollars. As we move through the next decade, it is critically important that companies understand the role they play in generating and contributing to ensuring a positive Employee Experience, and the impact that will carry on the society as a whole.

It's not so much about the term "experience" or the word "engagement" anymore. It's about where talent management is evolving, which is a holistic solution designed to make workplaces more enjoyable, connected ecosystems with purpose. Those ecosystems provide support and encouragement for employees, which leads to better customer service, and ultimately better financial performance.

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About Accelir Insights

Accelir Insights is a boutique analyst and advisory firm focused on the intersection of talent and technology. We are continually working to understand the market landscape for corporate leadership teams and predict and identify shifts for what will be needed in the future. We publish, present, and train on market trends and technology while working closely with the technology and service providers to improve the strategies and product offerings to meet the future's corporate demands.

Our clients put the users first and believe consumer trends and ease of use belong in technology. They work with us to impact growth, sales, product, adoption, and customer experience through a mix of data, market insights, customer feedback, and nearly two decades of HCM experience.

Since 2005, our founder and team have presented findings and insights at events globally to thousands of practitioners and business executives and worked with more than 200 work technology vendors (HR, HCM, MarCom, FinTech) across four continents on growth or turnaround strategies, product innovations, internal training, and merger & acquisition support. Our clients range from pre-angel to publicly traded global enterprise software solutions and include investment teams and service companies that focus on the world of work.

About The Author



Sarah Brennan, founder and CEO of Accelir Insights, is a global hr technology industry analyst, advisor, and speaker focused on improving the impact of technology on people, business, and the future of work. She works closely with technology firms and investment groups on growth, expansion, or turnaround through data-driven product innovation, go to market positioning, M&A support, and coaching as an external advisor or interim CxO.

She has been **named a top global influencer in Future of Work**, HR Technology and Talent Acquisition by more than 100 publications since 2009 including Huffington Post, Aberdeen, Glassdoor & HR Executive Magazine; been featured in Wall Street Journal, Bloomberg, US World Report and spoken globally at public and private events.

Employee Experience Technology Framework

