

Why Employee Experience Will Be Your #1 Priority



What's inside

This report combines survey results from more than 7,000 talent professionals in 35 countries, LinkedIn behavioral data, and 40 interviews with experts to deliver data-driven recommendations on how to optimize your employee experience.

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Working together to create a better experience

Companies are putting themselves in employees' shoes.

Work used to be about conforming: organizations pushed out rules and plans, and employees complied. But as competition for talent tightened and workers became more skilled, power shifted from institutions to individuals.

Today, more businesses are looking at everything they do through the lens of employee experience (EX). EX is everything an employee observes, feels, and interacts with as a part of their company. It's distinct from employee engagement. While engagement is the end goal—engaged employees are more committed and productive—EX is a means to get there.

96% of talent professionals say employee experience is becoming more important.



“Employee experience is about doing things with and for your employees, not to them.”



Mark Levy

Former Head of Employee Experience
at Airbnb and Allbirds

The 4 P's of employee experience

How to think about the whole journey—and make it manageable.

The concept of employee experience can feel unwieldy: if it's everything an employee experiences, how can you deal with everything? One trick is to break it down into four core components: people, place, product, and process. For each key moment along the employment journey, from hiring through exiting, seek to understand and improve the health of each factor.



People

The who

- Relationships with managers, teams, and leadership
 - Interactions with customers and suppliers
-

Place

The where

- Physical work space
 - Flexible work options
 - Work-life balance
-

Product

The what

- The work itself and how stimulating it is
 - Match between tasks and skill level
-

Process

The how

- Rules/norms for how work gets done and is rewarded
- Degree of complexity in tools and technologies

Employee experience could be the new HR

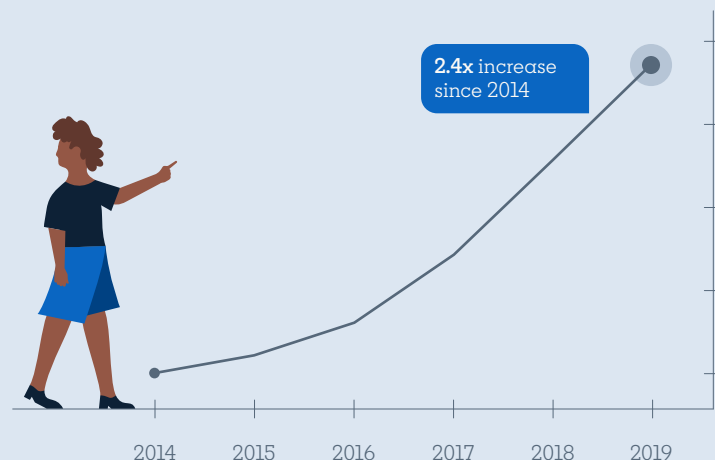
Expanding and rebranding a traditional corporate function.

As companies become more employee-centric, they're creating more "employee experience" roles. Mature organizations are hiring dedicated EX personnel, while smaller companies are bypassing "Human Resources" altogether and branding their people function "Employee Experience" right out of the gate.

These new EX functions are often still responsible for core HR tasks like performance management, learning, and compensation, but they're also helping own other key parts of the employee experience, such as real estate decisions and technology choices.

Employee experience roles are rapidly growing

Number of LinkedIn members whose current job titles include the phrase "employee experience."



A great experience yields great rewards

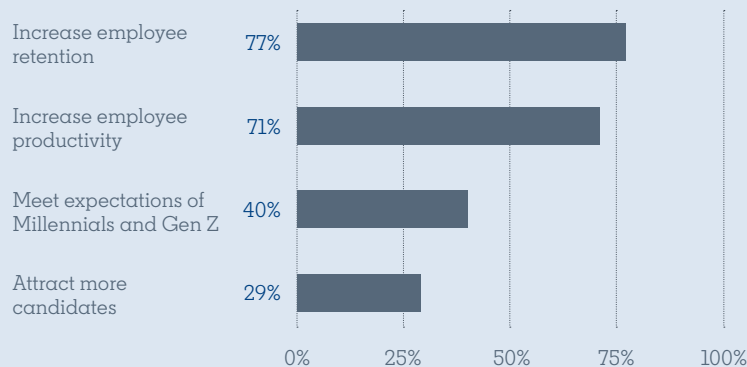
EX is a worthwhile investment for your bottom line.

Of course, companies aren't elevating EX only for altruistic reasons. Businesses invest in a better work experience because they're looking for better results.

Over two-thirds say they're focused on EX in hopes of getting employees to stay longer and be more productive. As we'll see on the next page, those hopes are being fulfilled.

Why companies invest in employee experience

Percentage of talent professionals who say they're increasingly focused on employee experience for the following reasons:



And the benefits are real

There is a strong link between EX and business impact.

While it's common sense that a good employee experience gets people to stay, now we've got data to back it up. We looked at over 1,000 companies rated on key EX components like training and flexibility, and then cross-referenced that with employee behavioral data that we saw on LinkedIn. The results speak for themselves.

Companies rated highly on:

Saw:*

Compensation
and benefits

56% lower attrition

Employee training

53% lower attrition

Purposeful mission

49% lower attrition

Flexible work
arrangements

137% higher
headcount growth

Open and effective
management

143% higher
headcount growth

*Compared to companies rated poorly on that same attribute.

EX is improving, but isn't there yet

Employees have a 50/50 shot at a great experience.

Two-thirds (68%) of companies report EX has improved over the past five years, yet only half say their EX is positive. Consider the gravity of having only half your workers feeling they're getting an excellent experience. If they're not on their way out, they're likely performing well below their capabilities.

68%

say EX at their
company has
improved over the
last 5 years.

Only
52%

say their company
provides a positive
employee experience.

Pay matters, but only goes so far

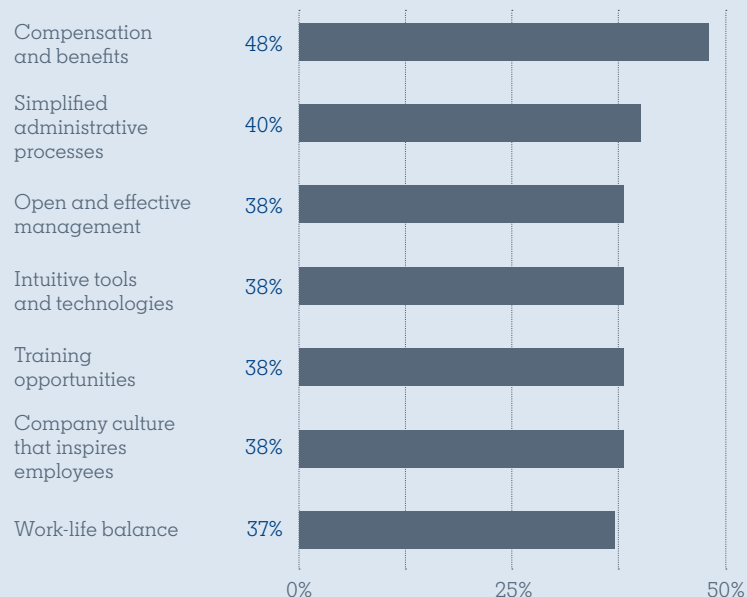
Management and tools need more attention.

The EX factor most in need of improvement is compensation and benefits. But while below-market wages will certainly hurt the employee experience, going well above market will only deliver diminishing returns.

Even if you're paying workers fairly, there are still several other pieces of EX that need work: not only management and culture, but tools and processes too. In a world where paying bills and buying shoes takes seconds on a phone, we've come to expect the same speed and simplicity at work.

Parts of employee experience that need fixing

Percentage of talent professionals who say their company should improve the following:



The breakdown between feedback and action

Bridging the gap is key to engagement.

One reason why employee experience suffers may be that while companies are listening to workers, they're not always taking action. Employees who don't believe their company will act on their feedback are 7x more likely to be disengaged than those who do, according to data from Glint.

New tools are emerging to help organizations close the gap between feedback and action. The right technology can help leaders build habits around regular conversations with their teams and encourage action at every level of the organization.

1 in 3

companies do not regularly act on employee feedback.



The EX opportunity is there, but you need to commit

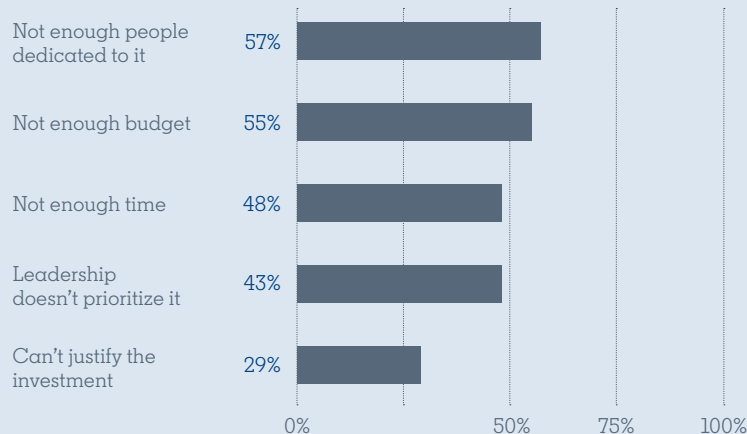
Businesses need to put their money where their mouths are.

While 96% say EX is important, it's currently understaffed and under-resourced. If there's no clear owner of EX, everyone needs to own EX, starting with leadership. When those at the top lead with care and respect, employees follow suit.

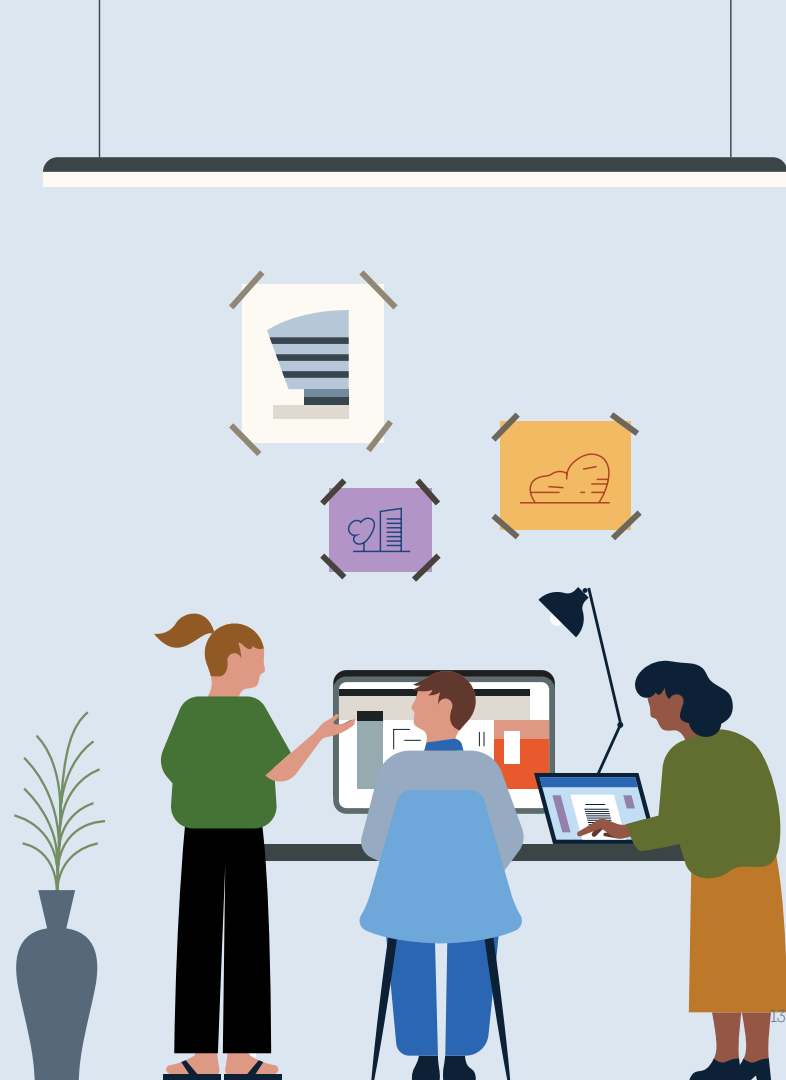
Once you gain more resources, hiring a dedicated EX professional will help ensure you meet your goals and stay aligned with the business. The good news is these roles are on the rise, a sign that companies are starting to invest in this important priority.

Biggest roadblocks to improving employee experience

Percentage of talent professionals who say the following are significant roadblocks to improving employee experience:



Case studies in employee experience



There's no HR at startup **Expel**—it's employee experience all the way

“We believe that if our priority is taking care of our team, they’ll care for our customers, and the rest will work itself out.”



Amy Rossi

VP of Employee Experience at Expel

Opportunity

When Amy Rossi was hired to lead the people function at cybersecurity firm Expel, she thought long and hard about what to name it. “Human Resources” felt dated and stigmatized. It also didn’t capture the journey aspect of employment. Amy viewed her role as creating critical moments in that journey, so “employee experience” made more sense. Now three years old and growing fast, Expel is faced with scaling EX.

Action

Amy uses four M’s to guide growth. **Managers** can make or break work, so Amy built a Learning & Development function early on to start developing great managers the moment they join the company. **Mantras** help communicate what’s important. “We take care of our employees,” is one that leadership says and lives all the time. They even support employees who decide to leave Expel, sometimes helping them find a role outside the company. **Measurement** helps Amy’s team track progress and spot problems. They periodically pulse employees via the company’s instant messaging platform and share the collective results with employees monthly. **Machinery** is about investing in the right tools, processes, and systems to support growth.

Outcome

Although in its infancy, Expel’s management program identified 12 manager habits that will be taught and reinforced over time. The company’s mantras have simplified internal messaging, helping turn employees into company ambassadors. The pulsing and quarterly measurement has helped the team spot areas that would have otherwise been overlooked, such as when Expel’s mission was getting lost amidst all the fast-paced communication and day-to-day work.

Forrester measures EX precisely to uncover barriers

“Solving with employees is much healthier than solving for employees.”



Sherri Kottmann
Chief People Officer at Forrester

Opportunity

Despite Forrester's strong culture and passionate workforce, the company had limited insight into what was driving employee engagement. Chief People Officer Sherri Kottmann used Glint to better measure the full scope of the employee experience, providing her team with a more immediate and precise level of understanding. The team discovered hidden barriers to engagement, one of which was employees' disappointment with the company's parental leave policy in the U.S. What had been anecdotal evidence became quantifiable feedback.

Action

Based on the Glint survey and bolstered by new market data, Sherri made a stronger case to enhance the company's parental leave policy. The survey also revealed issues around the leave experience—before, during, and after the arrival of a child. In collaboration with a group of employees, Sherri's team journey-mapped the parental leave experience and discovered pockets of confusion and guilt among employees going on leave, colleagues covering for a leave, and managers administering leave. The team then involved employees in developing structured guidance for the future.

Outcome

The company enhanced its leave policy with more time off and better pay, and standardized what a good parental leave experience looks like. Employees felt heard, involved, and proud to work for a company that cared for people at a personal and emotional milestone. Forrester aspires to replicate the approach—sharing ownership of both data and solutions with employees—to improve other employee experiences.

Chalhoub employees thrive with the help of tech

“EX isn’t just fun events. It’s making people feel safe and happy so they can perform their best.”



Wassim Eid
CHRO at Chalhoub Group

Opportunity

Chalhoub Group is a luxury brand distributor and retailer in the Middle East with 12,500+ employees. Knowing that employees are critical for providing exceptional experiences to customers, the company made a strategic decision to establish a People Experience function as part of HR. The new function’s mandate is to understand and redesign the experience of employees in different stages of their life cycles, with the goal of winning the hearts of customers. A key part of the transformation has been digital.

Action

The company partnered with employees and startups to implement eight digital platforms. One example was pulse surveying with dashboards to show leaders what employees care about, and what management needs to do to improve. Another was MyChalhoub, an internal app that connects employees across offices and nine countries and gives them a platform to share successes, challenges, and solutions.

Outcome

The new tech platforms have been very well received—the adoption rate of the MyChalhoub app alone is 70%. The success stems from Chalhoub Group involving employees in the decision-making, and not implementing tech for the sake of tech.

5 tips to elevate your employee experience

Tip #1

Listen and act, continuously.

You will gain credibility with employees when you take action on their feedback in a timely manner. The key here is to survey frequently so you create a continuous feedback-action loop. If you can't take action immediately, be sure to set those expectations up front.

Tip #2

Map the journey.

Find out what moments matter most in the employee journey. Uncover key experiences and milestones through employee interviews, focus groups, and surveys. Your EX is unique, so you can't find these answers anywhere other than from your own employees.



Tip #3

Share ownership.

Regardless of function, think about how to involve employees in identifying and solving problems. Getting people to perform their regular tasks with and for employees requires a mind-set shift. Need a new learning platform? Don't just have Learning & Development make a decision. Ask employees how they like to learn.

Tip #4

Win small.

Rather than a massive overhaul of whatever system is broken, try a small fix and see what you learn. Questions like, “What’s the one thing you’d change about your onboarding experience?” or “If you could kill one rule we have, what would it be?” can help pinpoint where to start. Don’t underestimate the power of minor improvements.

Tip #5

Be open.

Show where you’re putting money and time.
Share feedback results transparently and quickly.
Employees want a two-way dialogue. Being up-front builds trust, so communicate your track record and business cases where you need it.

Where employee experience is most important

Percentage of talent professionals who say employee experience will be “very important” in shaping the future of HR and recruiting.

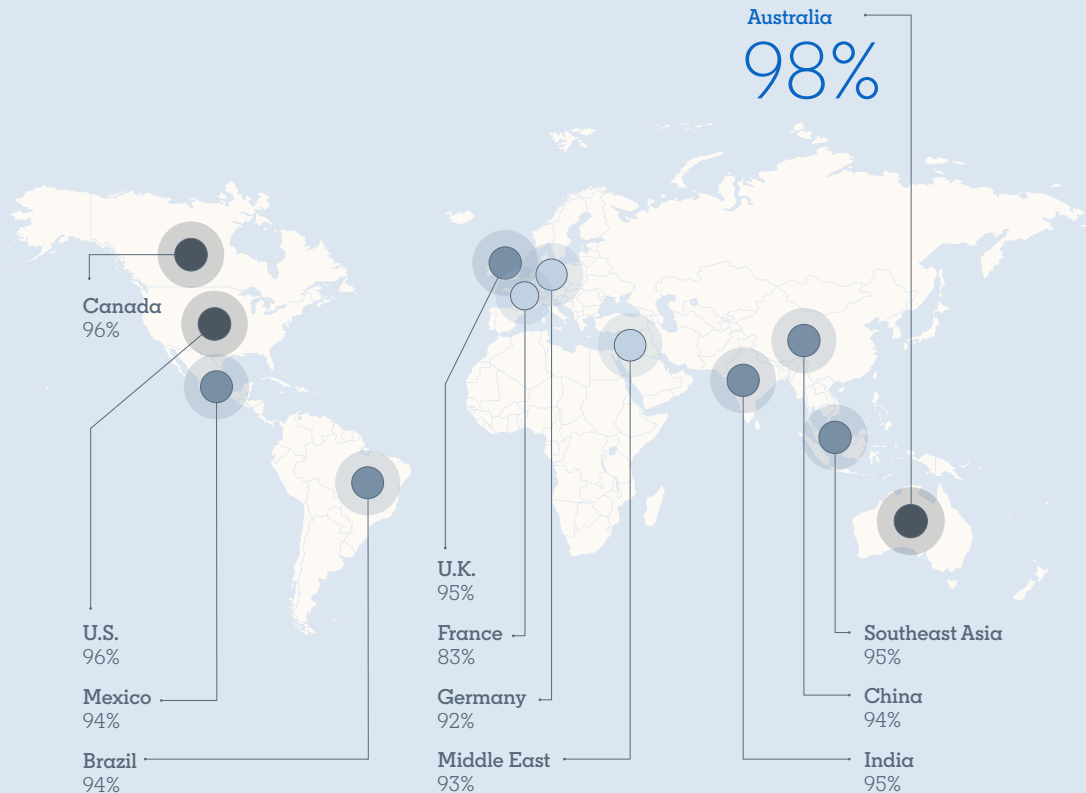
Global Average

94%

● Top 3

● Mid-range

○ Bottom 3



Reinventing how employees experience work

EX means out with the old, in with the new.

As organizations work to unlock the value of employee experience, they need to abandon outdated practices. This requires not only a mindset shift, but also a significant investment in resources. Those that do will be best-positioned to compete for tomorrow's top talent.

The past

Employers set rigid rules and norms; employees comply

Employee feedback goes into a black hole

"How do **we need** our employees to work?"

Company-centric: life fits into work

Traditional HR department

Work is a job

The future

Employers design processes and rules around employee needs and behaviors

Employers establish continuous feedback-action loop

"How do our **employees want** to work?"

Employee-centric: work fits into life

Employee Experience team

Work is an experience

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Methodologies

Survey

We surveyed 7,089 talent professionals and hiring managers who self-identified as either talent professionals who work in a corporate HR/TA department or hiring managers who have some authority over hiring decisions for their team. These survey respondents are LinkedIn members who were selected based on information in their LinkedIn profile and contacted via email between August 24th and September 30th, 2019.

Behavioral insights

Behavioral insights for this report were generated from the billions of data points created by more than 660 million members in over 200 countries on LinkedIn today. These analyses were performed from May to December 2019.

Growth of employee experience jobs was determined by analyzing the number of members with job titles containing the keywords “employee experience” across 10 languages, controlling for platform growth over time. Differences between companies rated highly (top 10%) and poorly (bottom 10%) for various employer value propositions were determined by cross-referencing company ratings from LinkedIn’s 2018 Talent Drivers Survey with LinkedIn platform data on company attrition (calculated as the number of company departures over the prior 12 months divided by the company’s average annual headcount) and employee growth (change in the number of company employees over the prior year).

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