Demonstrating the Business Value of EX

A New Value Chain for Employee Experience
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“How was work today?”

Typical responses range from a bland, automatic “fine, thanks,” to the intense and urgent, “I’m not sure how long I can keep this up.” Whatever the sentiment, an individual’s response to the simple question is the accumulation of hundreds of small interactions an employee experiences on a daily basis: Did my manager address that urgent topic? Was my hard work appreciated? Did that app crash again during a customer call? Was our new colleague invited to lunch?

Employers can assess an individual’s general sentiment or overall relationship with the company with a measure of engagement, which typically rises and falls depending on the quality of the overall experience. However, understanding the finer details of employee experience (EX) is much harder and more important, to keep employees connected and focused on business goals.

The research represented in this report focuses on how leaders in global companies measure employee experience. And, when they do, whether it delivers improved business value. Furthermore, our research aims to understand if organisations are placing more importance on employee experience as a result of the global pandemic with the topics of mental wellness, diversity, equality and inclusion and hybrid workplaces occupying the collective minds of the C-Suite.

Our hypotheses were that EX teams that harness interaction-level experience data have a clearer understanding of the everyday experiences that define an employee’s relationship with the organisation. The impact of specific interactions – What’s working? What’s causing friction? – becomes obvious and enables EX improvements to be effectively prioritised. And by using interaction-level experience data, organisations can then demonstrate business value.

Our key findings are:

1. Organisations have shown more interest in employee experience at the C-Suite level since the start of the global pandemic.
2. Organisations have difficulty proving the business impact of employee experience.
3. Organisations aren’t fully embracing internal “experience centricity”.

Executive Summary
Executive Summary

1. **Organisations have shown more interest in employee experience at the C-Suite level since the start of the global pandemic.**
   
   With 70% of survey respondents agreeing that business leaders have shown more interest in employee experience since the start of the Covid-19 pandemic, the importance of frictionless and frustration-free employee experience is attracting more attention than ever before. Once equipped with better, more relevant data and the ability to demonstrate business impact, those leaders will better understand and embrace EX, too – the benefits of which will be felt by organisations and employees for many years to come.

2. **Organisations have difficulty proving the business impact of employee experience.**
   
   Organisations have difficulty proving the business impact of employee experience. Only 14% of respondents, on average, were confident they could fully prove the business impact delivered with EX. Many leaders report difficulties in measuring the most significant impacts of EX on the business, for example, ‘increased innovation’ and ‘faster attraction of better people’.

3. **Organisations aren’t fully embracing internal “experience centricity”.**
   
   Experience centricity, which is fundamental to a differentiated external customer experience (CX), should also be applied to the internal customer (i.e. employee) experience. Data from an associated study\(^4\) shows that currently, only 38% of employees report being highly satisfied with their everyday work experiences. Embracing internal experience centricity requires a better understanding of the difference between employee engagement and employee experience.

   Our conclusions from this research are that a new set of data is required to better understand and demonstrate the impact of employee experience. We call this interaction-level experience data.
This report provides guidance to EX and people analytics leaders on how to demonstrate the business value of EX, by focusing on this interaction-level experience data. This approach is essential for Chief Human Resources Officers (CHROs) and business executives looking to understand and improve the business impact of EX in their organisation.

Leading employee experience teams aim to fully embrace experience-centricity and demonstrate the business impact of EX. Collaborating with the people analytics team enables EX teams to benefit from the function’s skills and experience in delivering business value through people data. The former team can help with gathering and analysing the interaction-level experience data at scale – and link it to business value.

In addition to exploring interaction-level experience data, this report presents a new model – The Employee Experience Value Chain – to support forward-thinking organisations to capitalise on this opportunity.

The Employee Experience Value Chain makes the connection between EX, employee performance, business performance and financial outcomes. This report suggests prioritisation for three core teams as an entry point: 1) Customer facing teams, 2) Internal services teams, and 3) Product development teams.

In summary, this report and the findings highlighted, outline the opportunity for EX teams to gain further investment from business stakeholders and deliver more value.

The insights discussed in this report are drawn from a quantitative analysis undertaken by Insight222 and TI People in May 2021. The research includes data from 139 respondents of which 92 are human resources leaders from a range of geographies and industries in large and medium companies.

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*Insight222* & *TI People*

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Employee Experience Today

The term **experience economy** was first described in 1998 by Joseph Pine and James Gilmore. An experience economy is one in which “businesses must orchestrate memorable events for their customers and that memory itself becomes the product - the ‘experience’.” The experience itself is the main motivator influencing decision-making.¹

The business world has long understood that external customer experience (CX) is a key differentiator in the market. Or, in other words, that business impact is determined by the **experience centricity** of products and services.

An experience-centric approach should not be limited to external customers. Positive internal customer experience – for the people who work for and with an organisation – is equally as important. Evidence indicates that, just as external CX correlates with business impact, so too does internal customer experience determine how well an organisation attracts, retains and unlocks the potential of talent. In this way, companies compete on **employee experience**, just as they do on customer experience.

**Experience economy**
The customer’s experience is the main motivator influencing decision-making, for example, whether to purchase a product or service.

**Experience centricity**
The characteristic of an organisation that has achieved total alignment around experiential delivery, whereby customer experience is at the heart of the enterprise and an organisational imperative.¹

**Employee experience**
The sum of interactions a human has with an organisation and the context that influences those interactions throughout the relationship as they perceive, understand and remember it. Robust understanding starts with interaction-level experience data.

See page 26 for the complete glossary.
Many organisations have embraced the importance of CX. Embracing the value of EX, however, requires leaders to ask:

- Do we consider employees to be internal customers?
- To what degree do we subscribe to internal experience centricity?
- How are we managing relationships with employees with as much discipline as with external customers?

Companies spend an aggregate of over $200 billion a year on people investments including training ($171bn$) and well-being ($52.8bn$) amidst a rapidly evolving work environment. Yet despite the eye-watering investment levels and public corporate commitments, only 38% of employees report being highly satisfied with their everyday work experiences. There are gaps between investment and impact, and expectation and experience, that urgently need to be addressed.

**Covid-19 as a catalyst for EX**

Our analysis suggests that the pandemic has acted as a catalyst for EX, driving businesses further towards experience centricity and expediting investment and engagement from stakeholders for emerging EX functions. Specifically, 70% of respondents to the research survey agree or strongly agree that business leaders have shown *more interest* in employee experience since the start of the pandemic. Furthermore, almost half of respondents (46%) agree that business leaders have *invested* more in employee experience since the beginning of the pandemic.

While this growing engagement and investment from senior stakeholders is encouraging for the EX function, it is putting new pressure on EX leaders to create rapid and measurable impact. The expected time frame in which a leader is expected to deliver impact may be short; one in four (29%) leaders surveyed agree that increasing interest from business stakeholders is fleeting and will subside post-pandemic.

Organisations are operating in a fast-evolving work environment with rising experience expectations from top talent – without near-term results, they are at risk of attention and investments being diverted. Worse still, valued talent might seek out a better experience elsewhere.

70% of respondents agree or strongly agree that business leaders have shown more interest in employee experience since the start of the pandemic.
An effective EX function is a champion of internal experience centricity. One of the goals of the function is to ensure that employee experience is a focal point of the business and strategic decisions. Sustaining a robust internal conversation on the business value of EX, the leaders of both EX and People Analytics teams must possess:

1. Comprehensive ‘experience data’ - that is, data that reflects the reality of individuals’ everyday experiences as they interact with the organisation

2. Knowledge of and the ability to realise the connection between this experience data and the potential business outcomes

This research report outlines that it is best to understand experiences through data. A thorough and clear understanding of the data helps EX teams prioritise redesign efforts that will deliver the most business impact. This report aims to help organisations demonstrate the impact of EX on business performance and financial outcomes, and how to make this connection in a clear and compelling way.

**Experience data versus engagement data**

Companies can already access large pools of people data: this data includes topics such as employee engagement, performance, behaviour and demographic information about employees. These data are useful in many cases to analyse a multitude of people topics but they cannot adequately represent what an employee experiences in their everyday interactions at work.
In particular, employee engagement data is often used as a proxy to study employee experience. This is not the optimum starting point for demonstrating the business value of EX. The table below clarifies the distinction.

<table>
<thead>
<tr>
<th><strong>Employee experiences</strong></th>
<th><strong>Employee engagement</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Definition</strong></td>
<td><strong>Engagement is a measure of an individual’s commitment to the organisation, which typically rises and falls with the quality of experiences.</strong></td>
</tr>
<tr>
<td><strong>Data</strong></td>
<td><strong>Data</strong></td>
</tr>
<tr>
<td>Experience is best described through interaction-level experience data concerning the quality of interactions across human, digital and physical realms for a given activity or goal.</td>
<td>Engagement is best measured through engagement data, collected with a pulse or annual survey.</td>
</tr>
<tr>
<td><strong>Example</strong></td>
<td><strong>Example</strong></td>
</tr>
<tr>
<td>When discussing career plans with a manager, what was the employee’s experience relating to: Ease of asking for and finding time for the discussion? Attitude of the manager? Information from the career portal? Emotional support during and after the conversation?</td>
<td>A typical inquiry would read: ‘Do you feel you have good career opportunities in this company?’ This approach focuses on the outcome of career planning interactions rather than the experience of those interactions themselves.</td>
</tr>
</tbody>
</table>

As demonstrated in the table, engagement data is one step removed from the employee’s experience and does not permit the organisation to pinpoint which interaction(s) specifically led to improved (or reduced) employee outcomes.

Data that shed light on both individual interactions and the context surrounding them (see ‘the Employee Experience Ecosystem’ on the next page) are at the core of a better, more holistic understanding of employee experience and clearer connection to business outcomes. Recorded over time, these data allow organisations to measure improvement in employees’ actual ‘real life’ experiences.
Employee experience results from a person’s interactions with a complex web of human, digital, and physical touchpoints which collectively create an end to end experience of work.

**The Employee Experience Ecosystem**: Is a way of visualising the interplay of people, tools, services and context from the perspective of an individual experiencing the organisation.

To improve the end to end employee experience, organisations need to focus on the quality of interactions people have with this large and complex ecosystem as they try to get things done at work. This is no simple task: A single experience typically involves multiple human, digital and physical touchpoints at the same time. For example, ‘I solve a customer problem with my manager (human) through a collaboration app (digital), while accessing the CRM system (digital) and sitting in my hotel bedroom (physical)’. 

**EXTERNAL FACTORS**: Touchpoints that are often outside of the organisation’s control such as company brand, family and friends and social media

**THINGS** (PHYSICAL & DIGITAL): Touchpoints that the employee physically touches or the technology that they interact with such as their office equipment, chatbots or learning platforms

**HUMANS**: The interactions that employees have with other individuals whether that be their recruiter, current manager or team members
Working with richer interaction-level experience data from the beginning enables EX teams to determine precisely the areas for meaningful impact on employees and the business. While engagement data helps managers tackle engagement issues in their teams, experience data allows EX teams to ask senior leaders: How could we remove friction and frustration from people’s day-to-day work and subsequently unleash their performance?

Organisations need a holistic way of measuring employee experiences that reflects the complexity of a very human phenomenon. EX teams that measure and analyse interaction-level experience data, as described in the ‘Employee Experience Ecosystem’ on page 11, make better prioritised and more targeted experience improvements, and have foresight over which improvements are most correlated to business impact.

What is the business impact of improved employee experience?

A significant majority of organisations struggle to correlate improved employee experience with business impact – just 14% of survey respondents on average are confident they can fully prove the business impact delivered with EX.

One reason for this is because many organisations still focus primarily on improving employee experiences internally (with techniques to better design or manage EX, for example) without adequately articulating what happens when EX improves. Typically, in this situation, EX teams struggle to gain further investment and buy-in from the business.

EX is about making work better for the individual and generating more value for the business. Reaching both goals means defining EX by the value it delivers to the business through observable, measurable outcomes. As discussed previously, collecting data that proves the connection between EX and business outcomes is fundamental.
Employee Experience and People Analytics

Improving employee experience is about orchestrating enterprise resources to create better experiences for people at work. Organisations are not typically experience-centric enough to make resource allocation decisions based on the EX team’s recommendations alone. Experience data and defined connections to business outcomes are required to meet the needs and speak the language of business executives. It is clear, therefore, that both EX leaders and People Analytics leaders have an important role in this work.

Despite their shared focus – people – many People Analytics and EX functions are notably different in their approach and can occasionally be at odds with one another. When they work in tandem and draw on each other’s strengths, however, they have incredible power to move an organisation towards experience centricity.

People Analytics, the longer-standing function (see Figure 1), focuses on delivering value for the business through people data. In addition to providing access to employee data through user-friendly dashboards and reporting, advanced people analytics teams deliver value-adding work on a discrete project-by-project basis, prioritised according to the business value expected. All activities take place to solve a business challenge and create tangible business outcomes. Skills across the people analytics team include consulting and influencing (to understand business challenges and engage key business stakeholders), data analysis and data governance.
In contrast, EX is a recently emerging function born out of the practices of the CX world. Employee Experience functions rely on quantitative and qualitative inputs from user research to fully understand and measure the phenomenon of employees’ actual ‘real life’ experiences. Skills and capabilities are typically based on a rigorous and empathetic understanding of the individual’s actual experiences, through approaches such as as human-centred design. The EX function’s activities are centred around the unmet needs of internal customer segments, driven by their beliefs, desires, behaviours and motivations.

EX offers a compelling opportunity to deliver business value. The 2020 A New Operating Model: Delivering Value at Scale study\(^5\), analysing the work and opinions of people analytics leaders across 60 global organisations, identified ‘employee experience’ as the second most value-adding area of people analytics.

People Analytics functions typically aim to understand employee experience quantitatively through analysing available employee listening datasets from active surveys (engagement pulses) or others such as organisational network analysis (ONA). However, most people analytics teams recognise that a dedicated experience listening strategy is required to capture the interaction-level experience data discussed above.
Quantitative experience data (produced by customer analytics teams) has proven to be a powerful change agent in the CX world, where CEOs and executive teams commonly track CX dashboards as predictors of business performance. Just as Enterprise Analytics supports Marketing, People Analytics can utilise its significant quantitative capabilities, rigorous prioritisation and scale for the research methodology to equip EX teams with invaluable insight into experiences, and put them on a similar path.

Partnering with EX teams can also benefit the People Analytics function: it will expand its reach from people centricity to experience centricity and deliver greater value to the business by activating the individual employee’s experience as a powerful driver of business performance.

The next section of this report presents a new model for understanding the connection between experience (defined by interaction-level experience data), employee performance, business performance and financial outcomes. This model should be adopted by both Employee Experience and People Analytics functions looking to better understand and improve employee experience and connect it to business outcomes.
A new model for understanding the business impact of employee experience has four stages:

1. The point of origin: The experiences that occur, and the perceptions that are created, when individuals interact with the organisation in their day-to-day job - understood using interaction-level experience data (see page 11)

2. The impact of improved experiences on both the performance and engagement of employees

3. The impact of improved employee performance and engagement on business performance, understood using customer experience (CX), workforce and operational data

4. The impact of improved business performance on financial outcomes, using financial data

These four stages are represented in The Employee Experience Value Chain model. The premise of The Employee Experience Value Chain is that when employees perform their daily activities at work, they interact with the organisation’s ecosystem across human, digital and physical points of interaction. When employees’ daily interactions with the organisation are free of friction and frustration, they have a better experience. With better experiences, the first effect is that performance increases, as less friction means employees have more time and energy to dedicate to higher value-adding work. A related and reinforcing effect is that engagement rises.

This simple premise translates into a data-driven foundation that objectively and accurately connects employee experience to business outcomes. Instead of the common approach of connecting engagement data to financial outcomes, this model guides organisations towards a more rigorous approach that considers experience data and business performance outcomes, as well as financial outcomes.

Measuring and analysing every interaction, and the context in which that interaction occurs between employee and organisation, is overwhelming without a robust method for prioritisation (see page 19 for more detail).
When employees’ daily interactions with the organisation feel useful, easy and enjoyable, performance is unleashed and engagement rises. Business performance increases, along with financial outcomes. Profitable growth is achieved with less friction, higher performance, more loyalty, trust and engagement. Better customer experience, higher individual productivity, higher retention of top talent, better advocacy and attraction of top talent, and more loyalty, trust and engagement are the outcomes. Engagement and performance data, customer experience, workflow and operational data, and financial data are the inputs.
How effectively do EX leaders use data to connect experience to outcomes?

Only 14% of respondents in this study on average were confident they could fully prove the business impact delivered with EX. In other words, less than two in ten companies are measuring and analysing data across The Employee Experience Value Chain, successfully connecting experience to outcomes. One of the obvious causes of this low confidence is a lack of experience data as the source data to this value chain.

Breaking the results down further, it becomes clear that some of the four key business performance impacts are easier to understand than others (see Figure 2).

**FIGURE 2**
Confidence in proving the business performance impacts of EX is low

<table>
<thead>
<tr>
<th>Impact</th>
<th>Can fully prove</th>
<th>Can partially prove</th>
<th>Can’t prove yet, but soon</th>
<th>Can’t prove</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher retention of top talent</td>
<td>18%</td>
<td>42%</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>Higher individual productivity</td>
<td>22%</td>
<td>29%</td>
<td>24%</td>
<td>24%</td>
</tr>
<tr>
<td>Better customer experience</td>
<td>8%</td>
<td>41%</td>
<td>16%</td>
<td>35%</td>
</tr>
<tr>
<td>Better advocacy and attraction of top talent</td>
<td>14%</td>
<td>32%</td>
<td>22%</td>
<td>32%</td>
</tr>
</tbody>
</table>

To what extent can you confidently prove the business impact delivered with EX over the last 6-12 months?

Key
- Red: can fully prove
- Blue: can partially prove
- Gray: can’t prove yet, but soon
- Green: can’t prove
EX teams cannot solve for everything. Measuring and analysing employees’ experiences and acting on results should be segmented to expedite the process.

The question remains, where to start? Consider the below insights around prioritisation.

**Prioritising EX improvements by business impact**

When employees’ daily experiences are positive and unencumbered, performance increases. Depending on the workforce segment considered, a performance increase will translate differently, for example:

1. A better customer experience, delivered by **customer facing teams**
2. A more efficient, productive, and engaged workforce, delivered by **internal services teams**
3. More innovative products and solutions, delivered by **product development teams**

EX leaders were asked to indicate the team they believe is most likely to impact business outcomes (see Figure 3). Customer-facing teams, both external and internal (internal services teams), are considered the most influential. These three teams are explored below in more detail to showcase how efforts to improve experiences can be prioritised according to business impact.
Respondents are confident that improving customer facing teams’ experience will deliver the most business impact to the organisation. The next question is, which elements of performance and engagement should be the EX team’s focus? Figure 4 presents a detailed version of The Employee Experience Value Chain model, breaking down performance and engagement elements on a team-by-team basis to further support organisations prioritising efforts.
FIGURE 4
Better experiences unleash performance and engagement and have a tangible impact on the business

Performance is unleashed and engagement rises

**CUSTOMER-FACING TEAMS**
- 58% Solve problems creatively and efficiently
- 53% Go the extra mile for customers
- 50% Collaborate more
- 30% Spend more time with customers
- 25% Self-develop and learn
- 22% Recommend the company
- 20% Stay longer with the company

**INTERNAL SERVICES TEAMS**
- 42% Adopt digital services to a higher degree
- 39% Solve problems creatively and efficiently
- 39% Spend less time on administrative tasks
- 37% Collaborate more
- 33% Go the extra mile for internal customers
- 30% Spend more time with internal customers
- 23% Self-develop and learn
- 12% Use more self service
- 11% Recommend the company
- 11% Stay longer with the company

**PRODUCT DEVELOPMENT TEAMS**
- 77% Innovate better and faster
- 66% Solve problems creatively and efficiently
- 45% Collaborate more
- 32% Self-develop and learn
- 32% Perform better (new hires)
- 16% Stay longer with the company
- 9% Recommend the company
- 4% Accept job offers more often / quicker (candidates)

**Along with financial outcomes**

- Profitable growth
  - 1. Higher support function efficiency
  - 2. Reduction of frustration with internal admin
  - 3. Reduction of time the business spends with HR services
  - 4. Higher retention of top talent

- Profitable growth
  - 1. More innovation
  - 2. Higher retention of top talent
  - 3. Improved new hire performance
  - 4. Reduced time-to-hire

The top impacts on team members of a better experience according to respondents

Rank order of business performance impacts of a better experience according to respondents

When employees' daily interactions with the organisation feel useful, easy and enjoyable...
The business performance impacts that are easiest for organisations to prove today (see Figure 2 above) are not necessarily the most influential on business outcomes.

The most influential business performance impact for customer facing teams is ‘a better experience of customers.’ However, only 8% of respondents can fully prove impact in this element. Similarly, the most influential business performance impact for product development teams is ‘more innovation,’ – and just 14% of respondents can fully prove impact in it. Thus, there is a mismatch between what connections EX leaders think \textit{should} be proven to demonstrate the value of EX to the business, and what can be proven (see Figure 5).

\textbf{\textit{FIGURE 5}}

\textbf{A mismatch between how the business impact of EX \textit{should} be proven and \textit{can} be proven}

<table>
<thead>
<tr>
<th>Higher retention of top talent</th>
<th>Customer Facing Teams</th>
<th>Internal Services Teams</th>
<th>Product Development Teams</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>6</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>Higher support function efficiency</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Reduction of frustration with internal admin</td>
<td>3</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>Higher individual productivity</td>
<td>4</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>Reduction of time the business spends with HR services</td>
<td>5</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Better customer experience</td>
<td>6</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Better advocacy and attraction of top talent</td>
<td>7</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>More innovation</td>
<td>8</td>
<td>1</td>
<td>7</td>
</tr>
</tbody>
</table>

To what extent can you confidently prove the business impact delivered with EX over the last 6-12 months? How does the behaviour change of this team increase revenue and productivity? Please distribute ‘100 pennies’ to indicate the focus area(s)

<table>
<thead>
<tr>
<th>Key</th>
</tr>
</thead>
<tbody>
<tr>
<td>Most confident proving</td>
</tr>
<tr>
<td>Least confident proving</td>
</tr>
</tbody>
</table>
The business performance element that ranks as consistently important across all three teams is the ‘retention of top talent and high performers’. This is the most straightforward element to measure and prove. However, another of the eight elements, ‘faster attraction of better people’, is the second most difficult to prove. Having the necessary employee experience and workforce data to understand important elements of business performance impact is essential – and organisations still have a way to go. Collaboration between People Analytics and Employee Experience teams, however, provides a plethora of opportunities to take on this challenge and suggests positive outcomes.

This report has explored three crucial elements to understand the actual business value of employee experience:

1. A new model – The Employee Experience Value Chain - for understanding the impact of experiences on the business and the data required to do so
2. An approach to prioritise efforts according to teams that have the highest business impact
3. Limitations that organisations currently face when attempting to make the connection between employee experience and business impact

The final section of this report presents recommendations to guide any organisation to better demonstrate the business value of employee experience.
As organisations seek to become more experience-centric, a new approach, guided by experience data, is required to better understand and prioritise EX improvement efforts. Furthermore, The Employee Experience Value Chain provides a model for EX teams to deliver value to the organisation and target interventions that prioritise business performance impact.

Our recommendations are to:

1. **Stop relying on engagement data for insight into experience.**
   Instead, EX teams should gain access to interaction-level experience data to understand the first stage of The Employee Experience Value Chain - i.e. the experience itself. EX teams should work closely with people analytics experts to access, measure, and analyse this data.

2. **Target EX interventions that have a clear impact on business outcomes.**
   The attraction and retention of talent is a common area of clear business impact and is an ideal starting point. Equipped with information that clarifies the connection between employee experience and business impact, EX teams can have an initial conversation about the value of employee experience with business leaders. Speaking the language of the business in this way better ensures these conversations lead to further investment and buy-in.

3. **Be business unit specific.**
   Practitioners should tailor their approach to different business units. The significance of connection points and business performance impacts differs depending on the team. Analyses should be tailored to be useful to internal business stakeholders, with the operational metrics that the unit in question uses.
Methodology & Demographics

This report is based on a survey of 139 respondents, who either lead or support People Analytics and/or Employee Experience at large or medium organisations. A large organisation is defined as having a revenue of over $1 billion, or an employee population of over 50,000. A medium organisation is defined as having a revenue of $50 million to $1 billion, or an employee population of 5,000-50,000.

For the purposes of Figures 2-5, we used a subset of the respondents: 92 HR leaders including Chief Human Resources Officers, HR leaders, People Analytics leaders and Employee Experience leaders.
Glossary

**Employee.** For the intent and purposes of this study, all people that work for and with the organisation – from candidates to contractors, employees to alumni.

**Employee experience.** The sum of interactions a human has with an organisation and the context that influences those interactions throughout the relationship as they perceive, understand and remember it. Robust understanding starts with interaction-level experience data.

**Experience centricity.** The characteristic of an organisation that has achieved total alignment around experiential delivery, whereby customer experience is at the heart of the enterprise and an organisational imperative.

**Experience economy.** The customer’s experience is the main motivator influencing decision-making, for example, whether to purchase a product or service.

**Interaction level experience data.** Data that reflects the quality of interactions people have with the organisation when trying to get things done at work. It measures how much friction, frustration or enjoyment is perceived from interacting with human, digital and physical touchpoints in day-to-day activities.

**People analytics.** The analysis of employee and workforce data to reveal insights and provide recommendations to improve business outcomes.

Notes

The definition of employee experience in Excellence in People Analytics (2021) is “The term for the experience that employees have of working in an organisation. Measuring EX helps an organisation assess if they are meeting their employees’ expectations.” The authors and contributors of this paper agree that the longer definition of Employee Experience used above is a more complete definition.

The definition of Employee above is used only for the purposes of this study for ease of reading. The definition of People Analytics aligns with that used in Excellence in People Analytics (2021).
Endnotes


4 This statistic is taken from TI People’s Experience Intelligence Solutions (EXI) dataset. More information is available at: https://www.ti-people.com/exi-solution [Last accessed: 26 August 2021].


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About Insight222

Insight222 Research provides business executives and HR leaders with insights and recommendations to advance the HR profession to become more digital and evidence-based. We investigate the most pressing challenges and latest developments in People Analytics and Digital HR. Through partnerships with leading practitioners, academics and thought leaders, we share new ideas, pragmatic frameworks and structured guidance.

Insight222 is a global services and solutions company that enables organisations to deliver business value through People Analytics and Digital HR. The team at Insight222 provide consulting, learning and networking services to Chief Human Resources Officers and their key staff in Analytics, Strategy, Planning, Employee Experience and Digital HR. Insight222 clients and partners - typically large, multinational organisations - include some of the world’s leading brands.

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We are TI people.

We help organizations enrich people’s lives at work.

We believe that all individuals deserve better experience and know that the organizations who deliver them in every moment are more successful.

We analyse people’s day-to-day work experience to help companies understand and address the root causes of attrition and underperformance. We identify experience gaps, propose concrete steps to bridge those gaps, and measure progress over time.

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