advancing the human experience of work

A 2020-21 MARKET PERSPECTIVE

Based on input from over 100 organizations, this report examines the current evolutionary state of organizations in their pursuit of advancing the human experience of work as a business necessity. It concludes with action steps and possible solutions.
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Work is a significant component of our lives. On average, we spend slightly more than one-third of our life working. The experiences we engage in while working contribute to meeting our needs for fulfillment, belonging, meaning and more. In other words, they have the power to enrich our lives.

We founded TI People nearly five years ago. Our purpose is to enrich people’s quality of life at work. We believe in the primacy and power of experience. We partner with organizations to uncover human insight to provoke purposeful action and to co-design experiences that deliver value to people and business.

Every year, our team, our products and our services evolve as we renew our commitment to making a profound impact on people’s human experience of work. We partner with leading brands big and small across industries around the world.

We have increasingly focused our research on the human experience of work and its unlimited potential it has to improve quality of life and business value when organizations employ an experience-centric approach to benefit their internal key stakeholders.

We strive to provide thought-provoking perspectives to individuals, organizations, and communities. Feedback from the formal (emails, letters) to the informal (nods of acknowledgment and agreement) let us know our message is resonating.

Our sincere thanks to all who participated in our study. We look forward to including many others as our research efforts expand and diversify.
Since Pine & Gilmore introduced *The Experience Economy* in the 1990s, customer experience as a means of differentiation for business has increased in importance and prominence. From a macro view of the market, there is a growing realization in the mainstream that customer experience is a business necessity full stop. Even so, many enterprises are still in various stages of their evolution to experience-centricity. This fundamental change requires leadership, focus, investment and commitment from top management. It ultimately requires that the people who create superior experiences for external customers must have compelling experiences of work themselves.

The concept of experiences of people at work was defined at about the same time as customer experience. But it is only recently that we have begun to assess the physical, mental and emotional effects of experiences of people on the job. Similarly, it is only recently that we have identified and codified the mindset and practices organizations need to master to discover the needs and expectations people have on the job and to craft and deliver compelling experiences over time that motivate humans and fuel business performance.

*Where are we, as a community, in advancing the internal customer experience, the human experience of work as a business necessity? Where are we in delivering experience improvements that make a difference?*

This study seeks to converge on a point of view. Our objective was to understand organizations’ present state of evolution by ascertaining their progress since last year’s study and to explore these areas:

» Leadership and collaboration
» Experience management building blocks
» Biggest challenges
» Top priorities
findings

Our study included input from over 100 leaders actively leading or advancing any aspects of people’s human experience of work spanning diverse functional responsibilities. Twenty major industries and geographic regions including the U.S., Europe, Australia, Africa, India, Middle East, South Africa and Latin America were represented. Annual revenues of these organizations range from €100M/$100M to €10B/$10B.

Compared to last year’s study, the perceived importance of advancing the human experience of work is expanding across geographic regions and industries. It is also expanding beyond the theoretical and practical boundaries of Human Resources.

The more advanced organizations have established the position of Human Experience Officer – a role and a symbol that customer experiences (internal and external) are receiving an appropriate and balanced level of executive attention.

Almost all organizations who participated in our study indicate that they value the pivotal roles played by line managers and people managers. Many of these organizations have pivoted to learning how to improve the managers’ experiences.

When comparing studies on the advancement of external customer experience to our findings associated with internal customer experience, advancing the human experience of work, we discovered that companies are lagging behind. The notion that individuals who work for or with the company are consumers of the workplace (i.e. internal customers) is not yet widely shared. Our study reveals this is due in part to the evolving nature of requisite leadership and accompanying mastery of experience management practices and accountability. When there is more balance between external and internal customer experience, businesses will begin to meet the experience expectations of their internal customers. In turn they will reap the full benefits of customer love and loyalty.

We discovered the most significant challenges these organizations are facing include establishing priorities, collecting and analyzing information about individuals that make up their organization and their experiences, and building organizational alignment and c-suite accountability for and investment in the internal customer experience.

Finally, in the next 12-18 months, organizations are making it a priority to develop the knowledge and skills to create experiences that have a meaningful impact and to develop a unifying vision and strategy (as identified in last year’s study). The third most common priority is to develop an experience measurement strategy. This is most often associated with the need to demonstrate ROI.
areas of exploration

LEADERSHIP AND COLLABORATION

Over 90% of the organizations participating in the study are actively engaged in efforts to understand and improve people’s human experience of work. About half of the organizations have declared it a business-wide priority in the present day. In addition, about half of the organizations have made relevant and necessary budget allocations (see Figure 1).

Compared to prior years, there is a slight increase in the appointment of Human Experience Officers that oversee internal customer experience and the external customer experience. Inclusion of Employee Experience in job titles remains the most prevalent.

A large majority (80%) of organizations have yet to establish a formal position or function of any kind with the remit of revising ways of thinking and doing to embrace an experience-led ethos.

There are early indications that integrating responsibility for experience management across all key stakeholders (internal and external) may be more advantageous. Organizations operating under this approach have made sizable investments. Their budgets are typically larger in comparison to those focused solely on internal consumer/customer experience. They also report successfully implementing more of the proven practices of the customer experience industry.

The business of experience is inherently a participatory activity but many organizations have not yet included all targeted experience recipients and critical stakeholders in the design process. Organizations in the study indicate that most experience improvement and innovation efforts involve HR. However, targeted experience recipients and classically trained experts (such as user experience researchers, experience designers, or experience management practitioners) are not yet part of their efforts.
We are committed to improving our internal customers' experience of work and have declared it a business-wide priority.

We consider employees to be internal customers and we manage our relationship with them with as much discipline as we do our external customers.

We provide the necessary tools and training to individuals across our organization to help them produce experiences for customers (internal and external) the right way every time.

We continually assess our internal customers' perceptions of their interactions with each component of our organization's ecosystem and report qualitative and quantitative (NPS, CSAT) data to governing bodies to inform future decisions.

We have an experience strategy that encompasses the end-to-end internal customer journey and is inclusive of all the interactions internal customers have with the different facets of our organization.

We have established internal customer experience program headed up by an executive leader and have clearly defined governance.

We employ professionals with deep expertise in user research and human-centered design approaches to discover the unmet needs of our internal customers and to innovate experiences with our internal customers that matter most to them.

We have a clear and shared understanding of what we mean by the human experience of work and a unifying vision across the enterprise with c-suite buy-in and board attention.

We have a deep understanding of our internal customer segments and their unique needs, desires, behavior and motivations.

The building blocks most frequently established by the participating organizations include:

» We are committed to improving our internal customers' experiences of work and have declared it a business-wide priority (43%).

» We consider employees to be internal customers, and we manage our relationship with them with as much discipline as we do our external customers (31%).

» We provide the necessary tools and training to individuals across our organization to help them produce experiences for customers (internal and external) the right way every time (27%).

As is typical of emerging disciplines, mindsets and practices are the building blocks of industry standards. When developed and implemented they enable organizations to meet or better exceed their (internal) customers' experience expectations.

At present we see progress in each category although no one organization has established or developed building blocks in every category. Figure 2 provides a breakdown of organizations with established building blocks by category.
BIGGEST CHALLENGES

Our study confirms that each organization’s story is unique in terms of methods and mix of people that are establishing and expanding their experience-centric approach.

The organizations may differ but there are common challenges that most notably rise to the top:

- Establishing priorities to improve experience at macro and micro-levels and for what internal customer segment.
- Collecting and analyzing data to better understand the needs of internal customers (and identifying what they find satisfying and dissatisfying about their experiences).
- Building organizational alignment and c-suite accountability for the internal customer experience.

See Figure 3 for a complete view of how the challenges studied in the research rank from 1st - 10th among participating organizations.
While 90% of the participating organizations are engaged in direct or indirect efforts to improve the human experience of work, their priorities for the next 12-18 months are reflective of an emergent stage of experience management. The priorities rising to the top include: Gaining a deeper understanding of experience and how to approach improvement, building a unified vision, and establishing an experience measurement strategy. See Figure 4 for the highest ranked priorities for the next 12-18 months.

**One more fact**

Many other studies have explored and demonstrated the ROI of internal customer experience and its link to external customer experience and resulting revenue growth. Our study reveals that 90% of the participating organizations believe calculating the ROI of internal customer experience and its linkage to the external customer experience for their organization is essential, but they have not yet reached this stage.
FUTURE OUTLOOK

In an experience economy, improving people’s experience of work is a critical business aim. A solid understanding of people’s wants and needs - in combination with solutions that help them reach their goals and eliminate their pain points - can and will increase profitability. Our study illustrates that a growing number of organizations have adopted this view. Our study also confirms that, as in other emerging fields, the establishment of requisite leadership, focus, investment and commitment is emergent as are the mindsets, capabilities and proven practices.

The pace of change varies greatly among organizations.

Advancing the human experience of work is not a finite activity. It is always evolving and continuous. For these reasons it can be complex and overwhelming. But there is a defined path with proven practices along with experience-centric organizations that can serve as role models.

No matter where organizations find themselves on this worthwhile journey, it is essential that they foster the requisite mindset and capabilities with a bias toward action. Action that produces better experiences and in turn better business results. Vigilance is required to prevent the sincerity, authenticity and altruism of the approach from being sullied or subsumed by cynical objectives or agendas. Advancement or progress should be defined by value delivered to people and business in the form of observable, measurable outcomes.
ADVANCING PEOPLE’S EXPERIENCE OF WORK

At TI People we have the privilege of partnering with leading brands on their journey to experience-centricity and listening to stories told by many others. Our advice has always been to ‘Think big and start small.’ What do we mean?

Think big
It’s important to be aware of all the elements that shape experiences and to be the author of the story that you want people to feel, remember and relive. You don’t need to design or reimagine the holistic end-to-end experience in one sitting. Instead, choose a ‘north star’ – a long-term objective – along with guiding principles and priorities informed by first-hand perspectives of what matters most to your intended experience recipients.

Start small
Remain empathetic, curious, thoughtful and deliberate, build capability over time, be honest about shortcomings, and be open to outside advice and expertise. Iteratively solve each of the prioritized experiences with the people and for the people one-by-one or in small batches based on your organization’s capability and capacity. Maintain your momentum by delivering value to people and the business.

How we can help
TI People’s Experience Intelligence Solutions help organizations gather first-hand perspectives of people’s experience of work, giving you the human insight you need to take targeted action to maximize impact - for people and business.

EXI Solution
Gain valuable insight into individuals and their day-to-day experiences with your organization and ensure your priorities are fit-for-impact.

MXI Solution
Gain valuable insight into managers and their day-to-day experiences with your organization and ensure your priorities are fit-for-impact.
About The Author
Lisa G. Morris is a Managing Director at TI People and Founder of XPLOR, LLC. She is a thought leader and an expert in applying human-centered strategy and design to innovate the human experience of work.

About TI People
Established in 2016, TI People is an experience company with locations in Germany, United States and United Kingdom.

Find us at ti-people.com.