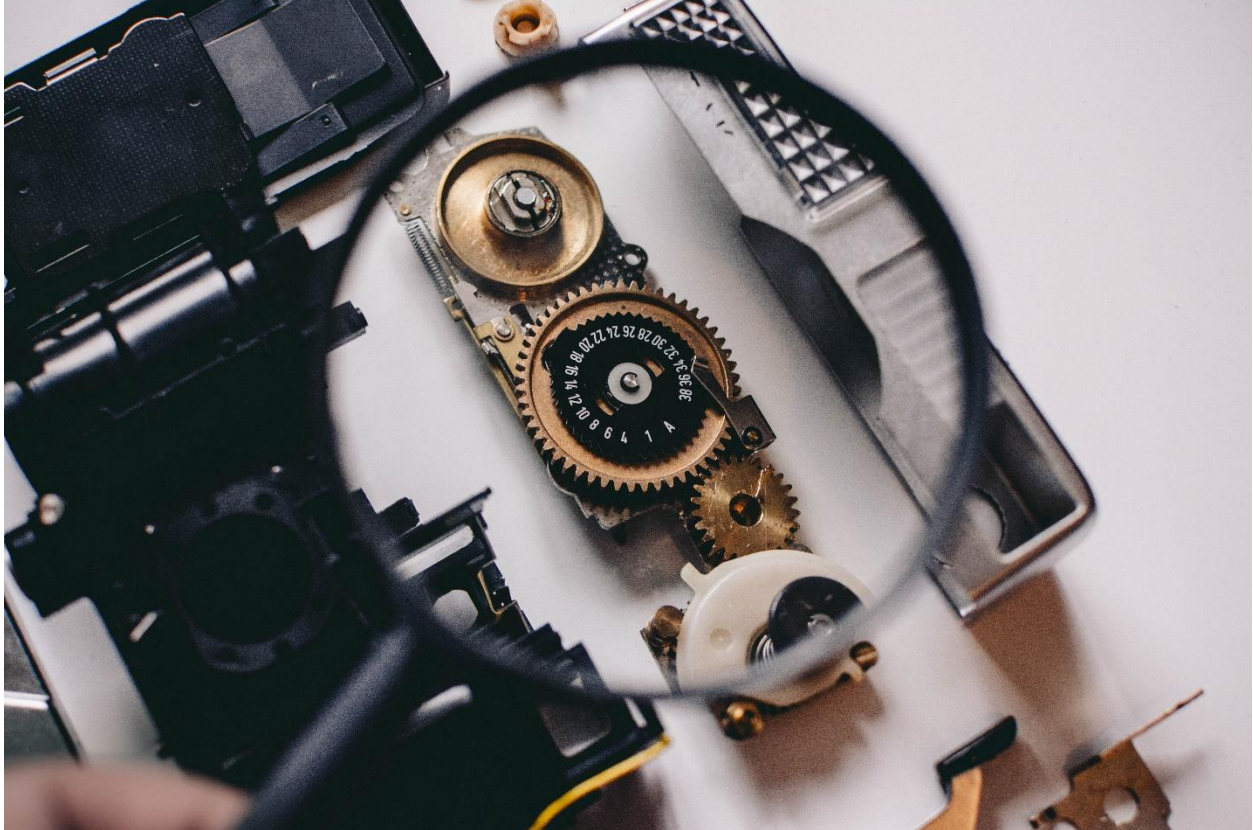


**EXposed - EX practices uncovered:
Prioritizing employee experience initiatives that are mission critical in
a downturn**



This is the first article in a new series called EXposed: EX practices uncovered - a series in which colleague Timo Tischer and I reveal the practices of organizations advancing on employee experience.

June 15 2023

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Prioritizing employee experience (EX) initiatives that are mission critical in a downturn

Why does this matter?

While most leading organizations (and their most senior leaders) understand that dedicating efforts to improving their employees' experiences makes good business sense, it's still common for us to see that even the most well-regarded and well-intentioned organizations will, through an economic downturn or tough financial times for the company, decide to cut efforts that are in support of this quest.

Employee Experience work needs to be understood in the minds of senior leaders not as a luxury but as a necessity, or risk being deprioritized as organizations all over the world 'tighten their belts' and try to reduce their costs.

That being said, it is perhaps natural that not all EX improvement efforts an organization undertakes will be perceived as highly essential, in the same way some customer experience improvement efforts may be placed on the back burner when the going gets tough financially. It therefore feels important to elevate the types of EX improvement initiatives that remain prioritized, even through the toughest of times.

Below are examples of Employee Experience improvement initiatives that we have seen remain as top priority work in the eyes of business leadership, through the last few months (time of writing: June 2023).

What we're seeing

Client Cases 1 and 2: EX work aimed at high-priority business opportunities: improving the retention and performance of the frontline

One organization we work with has recently been in cost cutting mode, leading various HR-led efforts to be questioned / paused and teams whose value was uncertain to be repurposed. The EX team managed to avoid this outcome because of the work it has underway serving the business.

It has been partnering with CX and business leaders in this effort aimed at reducing rapid resignations within the first 6 months in role, for a high-volume client facing talent segment. The Employee Experience team has led the project, responsible for orchestrating the collection of experience interaction data from thousands of frontline employees. This allowed them to uncover critical moments in which high friction is leading to a poor experience for these employees.

While work is still underway and results cannot yet be measured, it is clear to both the business and HR leaders that this type of role-specific experience improvement work has a direct line to reducing attrition (by making the role less discouraging / more achievable within the first 6 months) and to improving customer outcomes (NPS).

In fact, having done very similar work with another organization aiming to improve the experience of factory workers, this role-specific approach to experience improvement allowed us to be very specific about the interventions that would make a difference for these workers. There, the benefits were as follows:

(1) Improved People Outcomes

- Decreased attrition by 35% pt.
- Improved productivity in the form of a lower error rate for new workers
- Improved ability to attract new hires (the better experience of those working there and the reduced turnover led to more positive press for them as an employer in the community)

(2) Improved Operational Outcomes

- Increased their capacity to deliver (no longer operating under-staffed)
- Increased their quality of delivery (workers performing better, committing fewer errors)

(3) Increased Financial Outcomes

- Decreases in overall costs by \$1M (reductions in costs tied to onboarding, training – given less turnover, and fewer overtime hours)

Clearly, this employee experience improvement work drove important business outcomes, including significant cost savings for this organization. That was a strong case to continue this kind of work even in tough times, rather than cutting down on it.

Client Case 3: EX work to propel a business transformation that reduces cost and improves quality of HR services

Another company we've worked with recently launched an ambitious cost transformation program that aims to deliver significant groupwide savings by 2025. Amongst others, one objective is to transform to a less resource-intensive HR function by reducing manual work and simplifying processes.

They combined their objective of the HR transformation with the principle of EX to put the employee in the center – leveraging the HR organization to work in multidisciplinary ways, organized around employee journeys. Their premise of work is that process design, cost optimization and employee experience go hand in hand, starting with the experience and then clarifying the touchpoints, channels, technologies, processes, policies and support teams needed to bring it to life.

Through their work, the EX team provides transparency on the employees' experiences through EX data. Based on this data, they set the right priorities, set up and inform the multidisciplinary agile project teams and equip them with the experience data. The teams mainly bring together expertise in agile project management, process re-design, employee experience design and various HR functional areas.

Within those multidisciplinary, agile project teams (focused on areas such as recruiting, onboarding, internal mobility), they are pushing the envelope by reflecting on not only what would improve the experience for people, but also how to eliminate process inefficiencies and reduce operational costs.

What we recommend

There are 4 questions all those carrying the mantle for Employee Experience work need to be ready to answer when attempting to justify their efforts and be acknowledged as mission critical:

1. *What (business) problem are you trying to help solve? How big is the problem?*

In all three examples above, EX efforts were viewed as 'not cancelable' by business leadership because they were tied to solving a visible and painful business problem. The most common top of mind problems to try attach to are: the need to reduce costs (which can include reducing attrition, eliminating inefficiencies in process), the need to improve customer experience (especially when improving the experience of frontline teams), and the need to improve productivity.

2. *What do you propose to do about it?*

Here, business leaders want to know what's different about this from things we tried before. While only you will know this for your context, here are some axes of difference that we've seen be powerful:

- The work is truly business-driven because you're partnering with a willing business leader who wants to see this outcome move for their part of the business.
- The work allows you to uncover – in quantified ways – the root causes of friction in people's experience with a new level of specificity and granularity that you've not had before, which will make the case for what to focus on, undebatable.
- The work involves employees in cocreating solutions, to avoid thinking you'll have solved the problem in the right way, when in reality you may have not (# we are not our users).

3. *How will we know if it's working? What will you measure to know you are on the right track?*

Here, leaders are looking for not only lagging indicators that show the ultimate outcome metrics they care about are improving, but leading indicators that show the direct impact of your work. While this isn't easy to do for most organizations, it's important to construct a measurement plan that will allow you to collect this kind of proof, which ideally includes experience metrics. (Happy to show you how!)

4. *What is your plan, timeline, and cost?*

This is the question that people have typically given most thought to. What matters here is to make sure you are driving this work in a way that will allow for at least some of your impact to come quickly. If not, there is a risk that some leaders will start questioning whether that impact will ever truly come.

Final thoughts

When approached in the right way, Employee Experience improvement work is an essential contributor to organizational success that can be viewed as a necessity even through challenging economic times. In fact, more than most initiatives targeting employees (HR, IT, comms or others), the type of EX improvement work described in this article has the unique ability to deliver fast and measurable results in employee segments that create most economic value for the organization. It is the responsibility of those driving EX efforts to expose this value, and make it impossible for business leaders to deny – hence protecting budgets and commitments.

If you're reading this and have seen EX initiatives withstand tough budget scrutiny, we'd love to hear more about what allowed them to avoid the axe.

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