

2018 Employee Experience Report

The value of employee experience in Australian workplaces



Maxxia
Maximising workplace benefits

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Mike Salisbury
Chief Executive Officer, Maxxia

Foreword

There is no doubt that competition for talent today is fierce, and organisations need to find new ways to attract and retain the best employees. As a provider of salary packaging and workplace benefits to some of Australia's largest companies and government agencies, the importance of keeping staff engaged and happy is something Maxxia understands well.

With this report we're taking the conversation about employee experience beyond the theories and drilling down into what hundreds of organisations are doing to win their own campaign for the best talent. At Maxxia, we support our clients to make good business decisions and provide the tools to measure success. This research is designed to provide robust, actionable insights that add value to you and your organisation. For this first report in our annual series, we have sought to establish a baseline for employee experience (EX) activity in Australian workplaces and offer examples of learnings and best practice from a range of organisations from over 20 different sectors, and across all eight Australian states and territories.

We know that when organisations add value to the lives of their employees, by empowering them to be their best and delivering a high-quality workplace experience, they are more likely to stay loyal. We also know through our work, that ensuring employees are happy and engaged is an ongoing challenge that organisations in Australia continue to face.

We wanted to tap into the perspectives of local HR professionals at every stage of the EX journey.

Indeed, according to Gallup's 2017 State of the Global Workplace Report, only 15% of employees worldwide are engaged at work¹.

Implemented well, I believe that EX provides business leaders and HR professionals with a new approach and fresh perspective to tackle this challenge. More research to support and strengthen the argument for employee experience is starting to emerge, but much of the research is US or globally centric. We wanted to bring the conversation to Australian soil and so we felt the need to sponsor an Australian study. We wanted to tap into the perspectives of local HR professionals at every stage of the EX Journey – from those who are already road-testing EX in their business, to those who have intentions, but haven't yet taken the first step.

We are delighted to partner with leading HR consultant Ignite Global to facilitate this conversation and hope that this report provides you with some inspiration and ideas on how you might approach EX, and a simple roadmap to get started.

Mike Salisbury
Chief Executive Officer, Maxxia





Kim Seeling Smith
Founder & CEO, Ignite Global
Light Up Your Workforce®

Foreword

The reason I love employee experience is that it presents a simple solution to a very complex people problem facing organisations worldwide today, and in particular in Australia. We are staring down the barrel of a skills gap, and each and every industry needs to find new and innovative ways to win the war for talent.

One of the major drivers of this people problem is our ageing workforce. According to the United Nations, over the next decade approximately one in three Australians will be older than 55 years of age². The size of the talent pool is dwindling and so we face a supply and demand deficit.

Add to that the relentless forces of globalisation and technological disruption, and we are also facing a shortage of employees with the right skills for the jobs of the future. Oxford University says that 47% of our jobs will be augmented by technology³. Gone are the days when hiring 'OK' employees was sufficient. This is not a question of how to thrive but rather how to simply survive a changing landscape in which organisations need to find employees who have the capability and desire to iterate, pivot and innovate to meet changing customer needs. Today's workforce is less about routine and predictable work with jobs becoming more heuristic in nature. According to McKinsey, 70% of growth in jobs will come from heuristic work⁴.

Whilst it's still early days for EX in Australia, more and more organisations are starting to recognise its importance, and we can see this through the increase in EX related roles.

When you combine Australia's ageing population with the increasing requirement for modern-day skills, it's no wonder that the ABS predicts that Australia is likely to have 1.4 million unfillable jobs by 2025⁵.

Whilst it's still early days for EX in Australia, more and more organisations are starting to recognise its importance, and we can see this through the increase in EX related job roles. Many organisations who are already on the customer experience (CX) path are viewing EX as a natural next step. They are already familiar with the idea of journey mapping and looking at their activities through the eyes of the customer. Having seen the insights and benefits this can bring to customer loyalty, they are now applying the same idea to employees.

Another common reason organisations begin their EX journey is that it provides a new way of looking at employee engagement. Employee engagement has in some ways had its day and organisations are glad to have a new lens through which to examine the people problem. In my experience, two things can happen by using this new lens. Firstly, quick wins become very obvious. And secondly, there are likely to be some very simple things you can do to improve the experience of your employees – and it might not even cost a cent.

Kim Seeling Smith
Founder & CEO, Ignite Global
Light Up Your Workforce®



Executive Summary

Employee experience is gathering momentum

In what seemed like an overnight occurrence, employee experience (EX) is now firmly on the radar of HR professionals in Australia. Change makers within organisations are starting to use some simple, yet powerful ideas to lead a change in mindset and new approach to the war for talent.

Wanting to take a litmus test of how organisations are approaching and embracing EX, we set about a robust piece of 'home grown' research to harness the latest information and thinking from organisations across Australia.

In January 2018, Maxxia commissioned Ignite Global to undertake the research program. What followed was a series of in-depth interviews with leading HR executives, followed by an online survey of more than 600 HR professionals around Australia. To capture a broad range of perspectives, attitudes and approaches towards EX, responses were received from a diverse range of Australian businesses differentiated by size and sector.

What we found through our research is that whilst it's still early days, the concept of EX is well and truly here to stay. Those who are not already running programs, are planning to. And those already running programs, are planning to extend or improve them. No matter what stage of the journey an organisation might be at, there is a resounding desire to increase focus on EX as a means to address the growing skills and workforce shortages facing organisations today.

There is however a mismatch between EX intentions and action. In order to see results, organisations will need to take proactive steps to gain momentum and overcome some common barriers.

What is very pleasing to see is that organisations already on the journey are starting to see tangible impact from some very simple initiatives. And this impact is far reaching – extending beyond employee engagement and productivity to making a positive difference to organisational performance more broadly. As the effects of positive EX become more widely recognised, we expect more and more organisations in Australia to tackle EX, and tackle it in their own way.

Key findings

TOP 2 Contributors to positive employee experience:

- Competence of leaders and managers
- The nature of jobs



1 in 3 organisations regularly measure employee experience



TOP 3 Barriers to improving employee experience:

- Conflicting priorities
- Limited time
- Insufficient resources

Employee Experience: A new era for Australian workplaces

Key findings:

- 1 The nature of jobs and the competence of leaders and managers are critical components of healthy employee experience (EX).
- 2 Awareness of EX is widespread. Almost 90% of organisations are aware of the concept.
- 3 Despite high levels of awareness, two out of three organisations are not having regular dialogue about EX.

Defining employee experience

Boosting employee engagement has been the holy grail of business leaders and HR professionals in recent years. Various approaches and solutions have been tried and tested, with different degrees of success. Employee experience (EX), however, has a much broader scope than its employee engagement counterpart. So how do we define it?

Through our research, we found that the definition varies significantly from organisation to organisation, and, in fact, from person to person. For the purposes of this report, we're taking a holistic approach to defining EX. From job application right through to exit interview, EX is the lens through which to view every experience and interaction an employee or potential recruit has with an organisation. It encompasses a patchwork of systems, environments, conversations, relationships, benefits and rewards that all play a role in the day-to-day experience and overall journey for each employee.

When considered in its entirety, tackling EX can seem a daunting prospect for any team or leader. By thinking of EX simply as a lens for looking at each candidate or employee interaction, organisations can adjust the focus to address their most immediate issues, set longer-term priorities or simply provide a reference point to start from.

There is not yet a consensus definition of EX in Australia. We see it as a lens through which to view every experience and interaction an employee or potential recruit has with an organisation.

REAL WORLD EXAMPLE: Sunsuper tackles EX reform by stealth

Regardless of the size or culture of an organisation, the employee journey is likely be a varied and complex one. Adam Fitzhenry, Employee Experience & Communication Manager for Sunsuper, knew this would be the case when a company merger provided the catalyst to start the EX journey. To avoid getting overwhelmed by the enormity of the task at hand, he chose a step-by-step approach.

“We agreed to focus on the key moments that mattered most rather than biting off the whole employee lifecycle and journey map” says Adam.
“By looking at where the breaks are in the moments that matter, we could discover where to place our focus first.” Adam also found success in looking beyond process to the actual experience that processes should create.
“Don’t just redesign the process. Think about what the experience is you want to have first, and then look at the processes that will support that.”

Common contributors to positive EX

Whilst organisations may not be completely aligned in their definition of EX, there are some clear commonalities when it comes to what factors contribute to positive EX. Organisations of all shapes and sizes list leadership, and the job itself as top contributors to creating a positive employee experience.

Differences in the way organisations perceive EX appear to be driven by several factors, including which business unit within an organisation owns EX. For example, an HR-led strategy may have different perceptions and approaches than a senior leadership team EX strategy. The size of an organisation, the sector in which it operates and its culture, also have some bearing.

Top contributors to positive EX			
	SMALL ORGANISATIONS	MEDIUM ORGANISATIONS	LARGE ORGANISATIONS
1	Leadership / managers	The job itself	Leadership / managers
2	The job itself	Leadership / managers	The job itself
3	Corporate culture	Corporate culture	Vision and values

REAL WORLD EXAMPLE:

How LinkedIn helps its managers to connect

LinkedIn is one such organisation that emphasises the role of their leaders and managers in creating positive employee experiences. Recognising that even experienced managers can do with extra guidance on getting the best from their direct reports, LinkedIn sought to upskill their managers. They also saw an opportunity to use the conversations that took place between a manager and their direct report as an opportunity to embed their culture and values into these important moments of connection.

“A big goal for our ManagerIn program is supporting new managers in having quality conversations with their teams,” says Laura Kendall, Senior HR Generalist at LinkedIn. “When our people step up from individual contributor to manager, they’re having so many conversations, whether it be coaching conversations, or performance conversations. So the program is about role-playing and giving them skills for all these situations. But it’s also about instilling our values in managers, so they can be the champions for our culture at LinkedIn.”

The rise of employee experience on the global stage

Whilst EX appears to have risen rapidly to the forefront of the employee engagement landscape, this evolution has not happened overnight. Connected to the rise of the social enterprise, and with links to the popular discipline of customer experience, the seed for EX has been growing for some time.

Tapping into Customer Experience learnings

Many people interested in EX will be familiar with the concept of customer experience (CX). This concept emerged in response to the challenging business environment in which companies of today operate. Not only do consumers have an extraordinary choice of products competing for their attention and dollars, but interaction with customers is fast and comes in many forms, thanks to digital channels.

Exploring CX has become an important strategy for businesses looking to manage these complex interactions and secure their share of the market. Off the back of their positive experiences in generating better business outcomes from investing in CX, it is not surprising that organisations began to wonder if the same CX principles and practices might be useful for addressing employee engagement, and whether positive EX can have a measurable impact on CX.

However, CX is generally something customers dip into and out of, with multiple discrete touch points on their journey. EX is far more immersive, where the relationship between work and life is challenging to map and measure. While EX leaders have much to learn from their CX counterparts, they are dealing with a journey and environment that is much more complex and far-reaching.

EX and the rise of social enterprises

Drawing on a global survey of 11,000 business and HR leaders, the 2018 Deloitte Human Capital Trends report identifies a major transformation in the commercial landscape as the business enterprise of yesterday becomes the social enterprise of the future⁶. In the past, acting in a responsible way towards society at large, rather than just customers or shareholders, may have been driven by a sort of altruism, or the latest PR strategy.

But today, according to the Deloitte report findings, becoming a genuinely social enterprise is seen as critical to commercial success. Only by becoming a 'good citizen', to both internal and external stakeholders, can a business expect to:

- Maintain a positive reputation
- Win the war for talent
- Inspire loyalty in their customers.

Some businesses may recognise the importance of all three outcomes, which can lead to a much broader definition of EX and a commitment that is supported by senior leadership. In other cases, where attracting, retaining and engaging employees is the catalyst, it may be the HR team who drive and own EX reform.

“ We deeply understand the link between working environments and social impact. When people are connected and committed to a greater purpose/vision and each other, they will perform at far greater levels.

Sarah Liyanage-Denney, Kin Space, Founder

REAL WORLD EXAMPLE: MYOB gets EX buy-in and delivers results

As a tech company whose growth is only limited by their ability to attract talent, MYOB had identified EX as critical to their business model. This led to Helen Lea joining the senior leadership team as Chief Employee Experience Officer. From her first encounters with a workforce of determined self-starters at MYOB, Helen discovered that a top-down approach to EX wasn't the right path to follow.

"We are a predominantly agile with a capital A, software development business, and in this world a top-down implementation of initiatives would be highly counter-cultural. Instead we have adopted the UX and human centered design thinking approach to EX, so everything is a process of co-creation, listening and exploration."

"We're fortunate that we've got those capabilities inside the organisation and the advantage of using these methodologies is that we are speaking the same language and build credibility and their respect for the way you're building EX solutions."

"Bringing the team into the process means you're not on your own, plus your results are more likely to flow through." The success of this all-hands-on deck approach to EX can be seen in recent engagement data from MYOB's surveys. "We've seen inclusion as a higher scoring category for the first time ever," says Helen.

“ Organisations are no longer assessed based only on traditional metrics such as financial performance or even the quality of their products and services. Rather, organisations today are increasingly judged on the basis of their relationships with their workers, their customers and their communities, as well as their impact on society at large.⁷

2018 Deloitte Human Capital Trends report: The rise of the social enterprise

The Australian landscape today

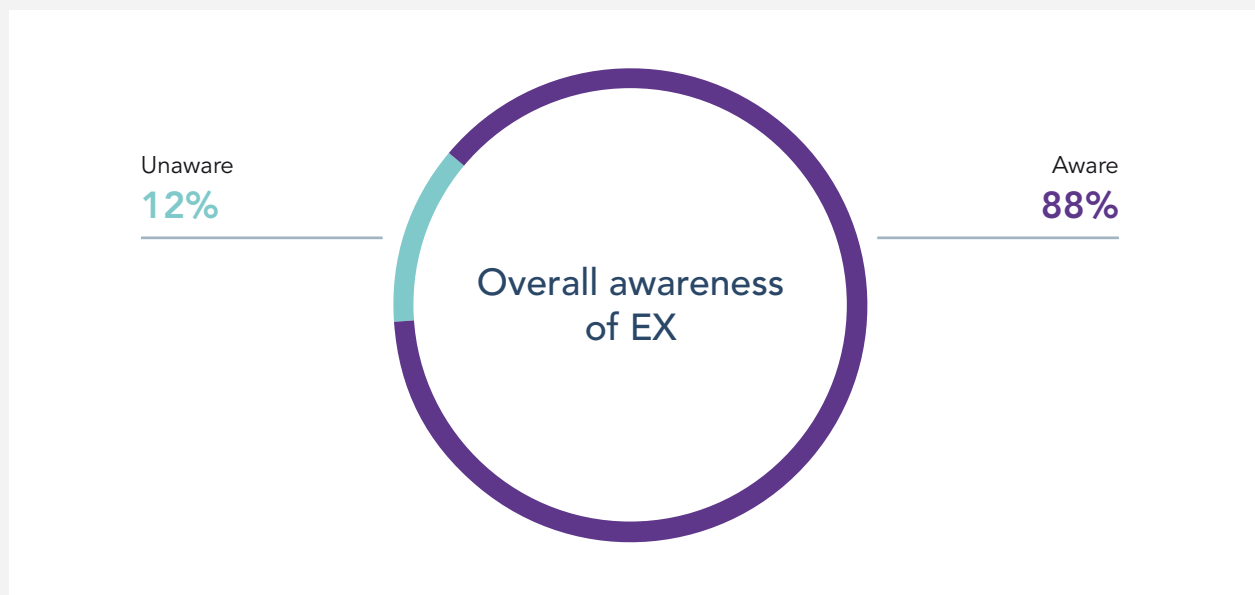
So does our survey show that the global buzz on EX has taken hold in the Australian working world? By sampling the current state of EX awareness, measurement and dialogue, our research identifies a tendency for Australian organisations to be highly aware and poised for action, rather than in the midst of a full-blown evolution.

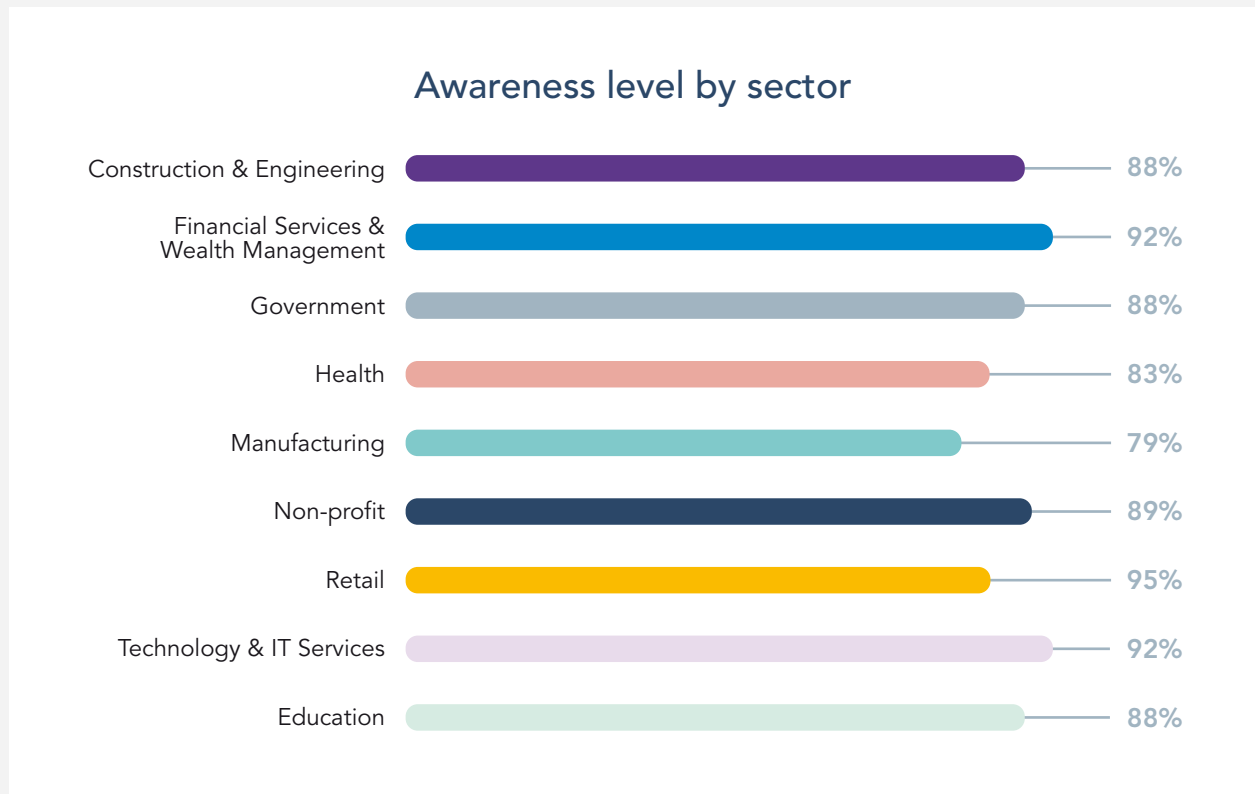
“ We are just at the beginning of this journey. We are well advanced though in our customer experience journey and looking forward to collaborating with our customer team on embedding some principles for employee experience.

Courtney Smyth, South East Water, OD Consultant - Culture & Engagement

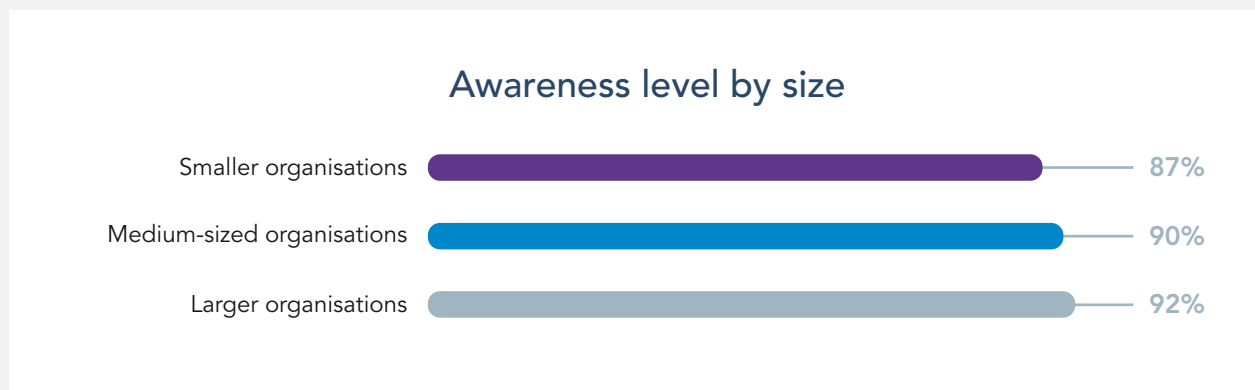
EX awareness in Australia

Overall, the vast majority of Australian organisations are aware of EX. For employees in the retail, technology & IT services and financial industries, the concept of EX is very familiar, with awareness sitting well above 90%. For the manufacturing sector, the buzz is slightly quieter, with one in every five businesses unaware.



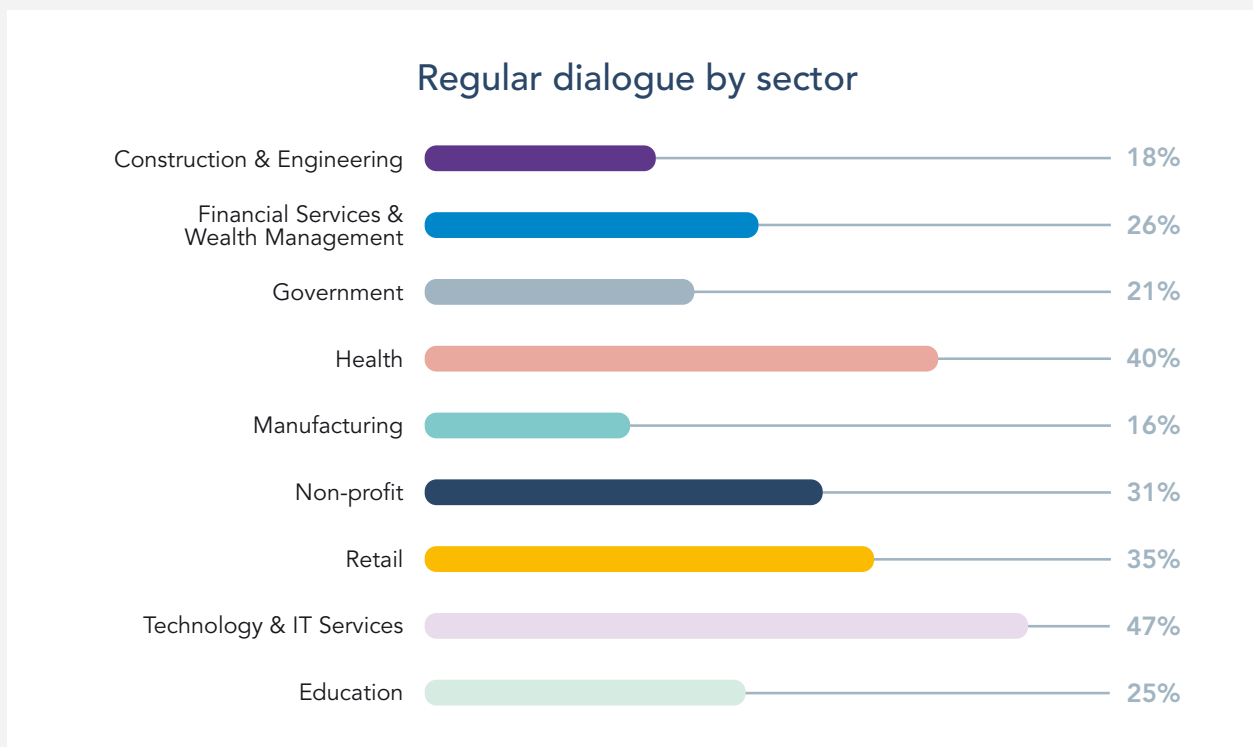


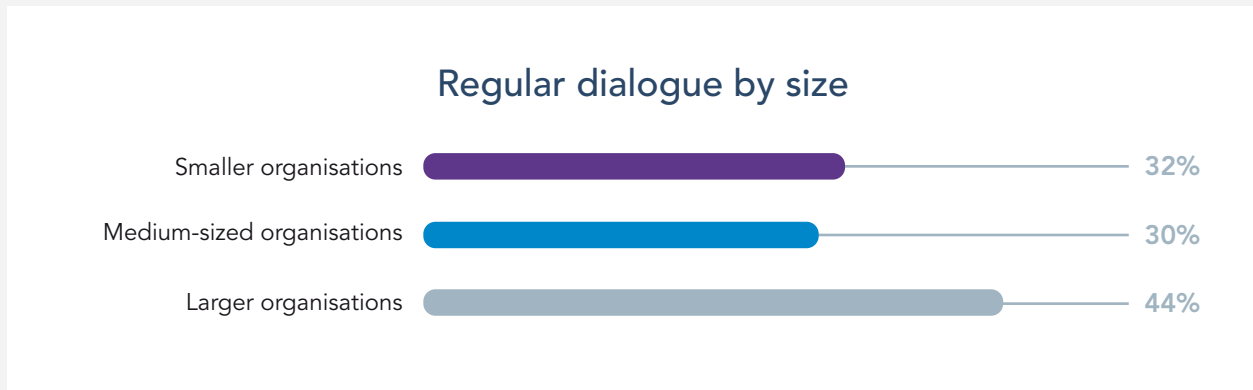
The size of an organisation also correlates to EX awareness – the larger the organisation, the higher the likely awareness.



Low levels of dialogue

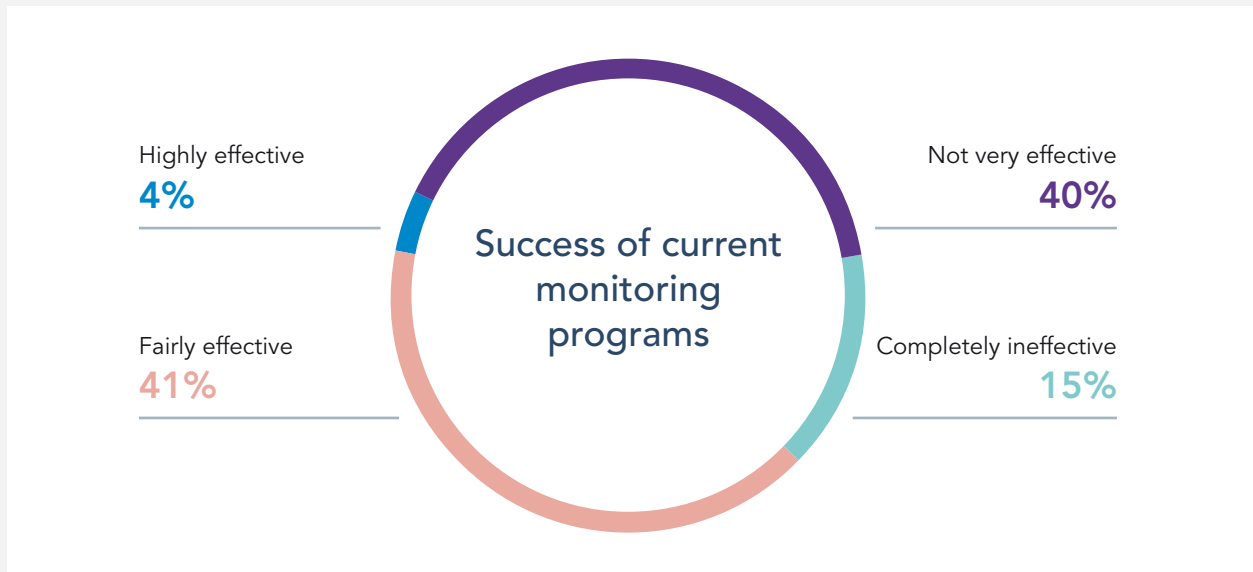
Despite high levels of awareness, two out of every three Australian organisations are not having regular dialogue about EX. This is particularly true of smaller and medium sized organisations and those in manufacturing (16%), construction & engineering (18%) and government (21%) sectors. As discussed in more detail in the next section, this limited dialogue is due to organisations placing a higher priority on other challenges, such as operations, systems, transformation programs and customer care.





Room for improvement

When it comes to monitoring programs, the vast majority of organisations are critical of their tools and approach. Just 4% of organisations feel that they’ve perfected the process of monitoring employee experience. In contrast, the vast majority highlight a degree of ineffectiveness. This ‘room for improvement’ attitude is even more prevalent in large and medium sized organisations.



“ Don’t boil the ocean, don’t spend too long trying to work out what to do. Pick somewhere you can move the needle and just start, learn and iterate and keep refining over time.

Joel Corrigan, Senior Recruiting Lead, Uber Australia & New Zealand

REAL WORLD EXAMPLE:

A small but significant EX goal for Talent International

Running regular Gallup surveys has given global recruitment company Talent International a wealth of EX data to work with. In recent survey results, their Head of People and Culture, April Marcot, noticed a clear message coming through.

“Everybody agreed we do an amazing job of recognising the wins,” says April. “But people wanted to learn more about what it is they’re actually achieving and how they went about it.”

This created a new EX goal around supporting employees to feel motivated and committed to their future wins. “Sometimes it’s actually demotivating to hear that everybody around you is winning,” she says. “Now we’re putting a lot more effort into communicating how we got there.”

Mapping and Listening: Laying the foundations

Key findings:

- 1 Improving employee experience (EX) is mostly regarded as a mid-level priority.
- 2 Conflicting priorities, limited time and insufficient resources are the most common barriers to implementing EX.

Mapping the EX journey

Having invested heavily in customer experience (CX), many companies take their approach to mapping customer journeys and apply this to their employees. However, mapping the customer journey is easy in comparison; you can map out a physical or digital journey and monitor clicks, time on site, customer feedback, purchases, loyalty and buyer behaviour. The sheer volume of ways for employers to interact with their employees vastly eclipses the type and number of touch points on the CX journey.

“ If you're not already partnering with your CX team, go and see them. They've got some really great insights, they've been doing this stuff for a while and I think they can bring a lot of smarts to the people function and how to bring the employee experience to life.

Helen Lea, Chief Employee Experience Officer, MYOB

While learnings from the CX and user experience (UX) perspective can be useful for EX redesign, mapping the employee journey comes first. In a chapter dedicated to EX in their 2017 Global Human Capital Trends report, Deloitte list the following areas mapping and improvement should consider: meaningful work, the purpose of the organisation, employee talent development and growth, rewards and wellness, the work environment, fairness and inclusion, and authenticity among management and leadership⁸.

REAL WORLD EXAMPLE:

hipages map engagement on the employee journey

Experienced HR professional Jodette Cleary is no stranger to the practice of mapping engagement. After joining hipages as Chief People Officer, Jodette kicked off the EX design process by actively mapping the employee journey.

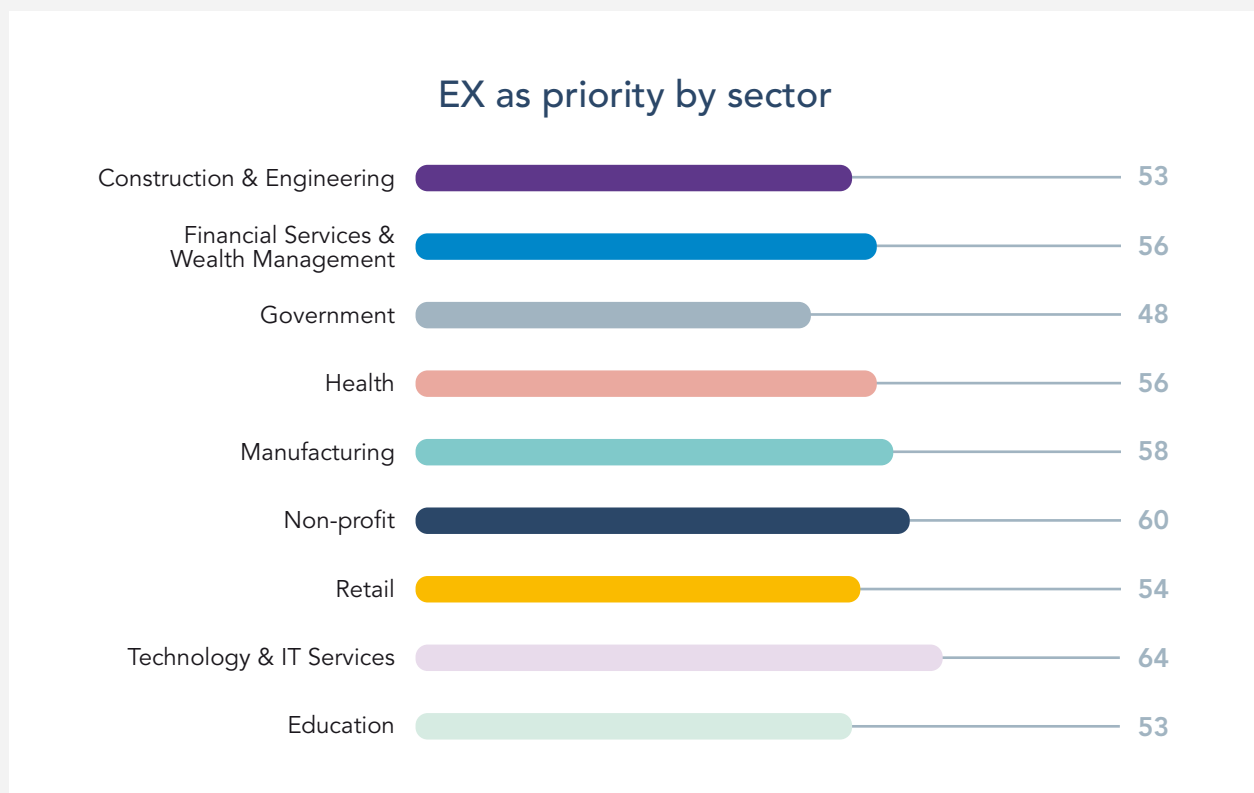
Established in 2005, hipages is the number one online destination for Australian home renovators looking for qualified, trusted and verified tradies.

“hipages has always looked at EX from the first employee interaction right through to their experience leaving the organisation,” says Jodette. “We identify the key stages of employment and look at each one from an engagement perspective.”

EX has mid-priority status

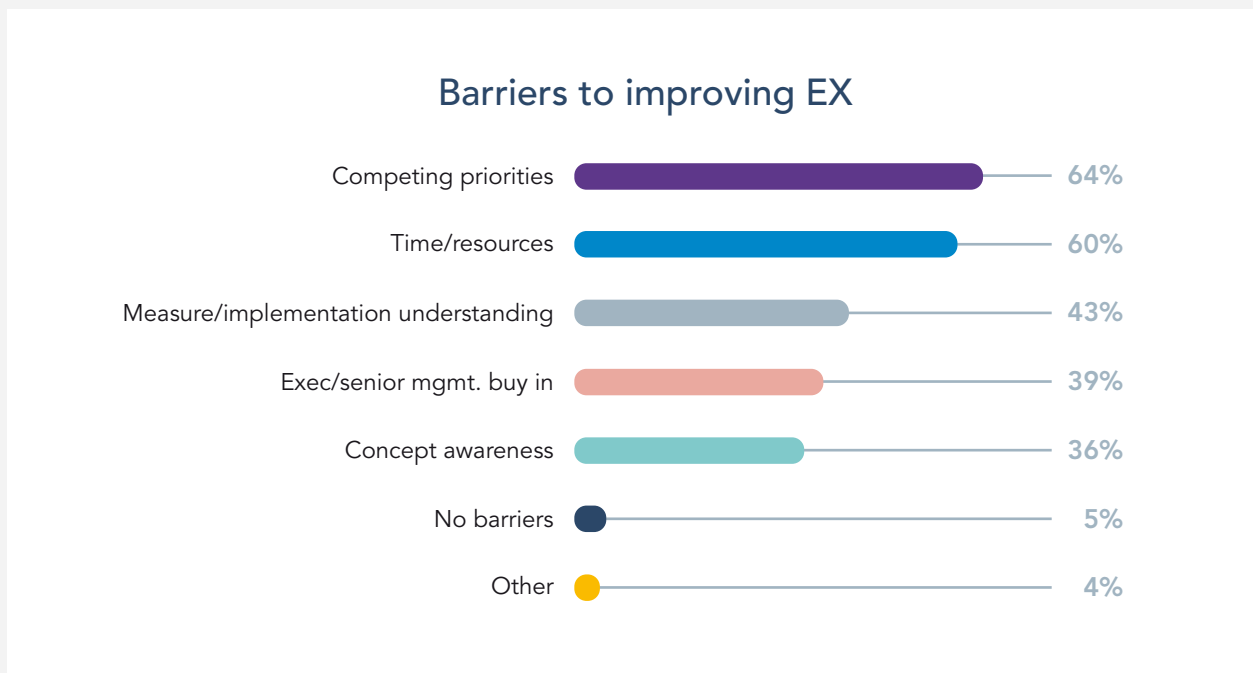
The view that EX can, or should, be an all-encompassing initiative is perhaps why some HR teams and business leaders have been slow to get started.

In Australia, monitoring and improving EX generally sits in the middle of the priorities hierarchy, with an average score of 57 out of 100 across all organisations. Priority peaks for technology & IT services and non-profit organisations, who rank EX at 64 and 60 respectively.



Drilling down into the detail of what holds organisations back, competing priorities, limited time and insufficient resources are barriers cited by around 60% of organisations.

But knowing what to measure and how to improve are seen as a major hurdle to EX improvement by 43% of Australian organisations surveyed. So while many employers might recognise the correlation between EX and employee retention/motivation and productivity, organisational growth, customer satisfaction and profitability, some simply don't know where to focus their efforts.



A 'listen to grow' strategy

Organisations that are making EX a priority, see it as critically important to the health of their organisation, and the welfare of both employees and customers. The impact of a strong and established 'listen to grow' strategy is highly valued by these organisations and one of the important steps they're taking to bring EX centre stage. Listening to employees is necessary to gain an understanding of what they do and experience day-to-day. Bringing these insights together with design thinking can reveal new ways to simplify work and improve productivity, performance, and the quality of EX.

“ Our people are at the heart of everything we do. We always have the internal customer in mind when making decisions to ensure positive experiences.

Samantha Lynn, Assetlink Pty Ltd, People & Culture Coordinator

So how might a better process for listening to employees play out in different organisations? In exploring EX in practice, Deloitte discovered innovative companies like Cisco, IBM, GE and Airbnb have made the 'Idea Jam' a major part of their EX redesign process⁹. They use these forums to harvest ideas from employees about how to improve EX through better performance management, workplace design, benefits, and rewards. It is an open collaborative approach, giving employees a say in what will take EX from good to great.

REAL WORLD EXAMPLE: LinkedIn's low-tech 'Idea Jam'

They might be known for innovation, but when LinkedIn ran an 'Idea Jam' to start the year, they left technology out of it.

"Our Idea Jam was an old-school approach with flip charts and a conversation over lunch," says Laura Kendall, Senior HR Generalist at LinkedIn. "We had people add post-it notes for themes and ideas. This event was about bringing employees along on the journey, making them a part of building and fostering our culture. It was something really simple we did that was so successful." The low-tech Idea Jam was so popular in fact that LinkedIn have gone on to create a virtual version. "We use it for team and project meetings for everybody to get their ideas down and highlight the ones that really stand out," says Laura.

“ We are running a 'You said, We did' campaign where we communicate how feedback from employees is helping shape a better employee experience.

*Adina Leu, Australian Financial Security Authority,
Assistant Director Workforce Analytics & Planning*

The challenge of geography



Comprehensive mapping and listening are likely to test the ingenuity of any organisation. When applied to a workforce that's spread around different regions, or even countries, it highlights the importance of seeking and segmenting employee feedback from all employees, no matter where they're located.

“ International companies should understand cultural differences in how employees perceive the work experience. Cultures that are more collective or group-focused require different engagement programs than those that are more individual-focused.¹⁰

2017 Deloitte Global Human Capital Trends: Rewriting the rules for the digital age

REAL WORLD EXAMPLE: KPMG uses personas to develop a global standard

As a member organisation with over 200,000 employees in 150 countries, KPMG needed to go well beyond a one-size-fits-all approach to EX.

“We wanted to give our member firms a framework they could use, regardless of where they operate,” says Alice Bretherton, Director, Global Head of Workforce of the Future. “We held a ‘global online jam’ where thousands of our people from around the world were asked what was great (and not so great) about working at KPMG.

The data and findings from the jam, in conjunction with other listening activities were used to develop personas to represent the motivations and concerns of each key talent group. “The personas were brought to life for our Global Leaders by real KPMG employees at an off-site event focused on people matters,” says Alice. “We designed a highly interactive session, walking our leaders in groups through an ‘immersion pod’ on each persona where they could experience real people telling their stories to illustrate their ‘make or break’ moments at KPMG. Some leaders were moved to tears by what they heard. It was these personal stories that made our leaders highly aware of the issues that often get overlooked when presented as data.”

Listening to the entire workforce

Workforce composition can be just as varied by type of employment, with more organisations using short-term hires to plug talent gaps. 37% of companies surveyed for the 2018 Deloitte Global Human Capital Trends report are expecting growth in their contractor workforce by 2020 and 28% plan to hire more gig workers¹¹.

More employees are also looking to take advantage of flexible working arrangements and likely to spend more time working remotely as a result. Figures from the 2018 Mercer Global Talent Trends report indicate that 51% of employees want their company to offer more flexible work options¹². Both of these trends will shape how organisations approach the different EX journeys for each employee.

REAL WORLD EXAMPLE:

Uber makes on-boarding mission critical

As a business undergoing enormous ongoing growth, Uber is putting substantial effort and investment into a next-level onboarding experience for their 'nubers'.

"People fly into San Francisco and attend what we call 'uberversity'," says Joel Corrigan, Senior Recruiting Lead, Uber Australia & New Zealand. "It comes back to trying to attract and retain the best people, but I also just think it's the right thing to do. What I do day in day out is convince people to change jobs, and it's such a big decision, it's kids, it's sometimes moving countries, cities and schools. I think that being prepared and ensuring that transition goes smoothly should be a top priority."

Test and Learn: Raising the bar on Employee Experience

Key findings:

- 1 Only one in three organisations measure employee experience on a regular basis
- 2 However, 95% of organisations are undertaking some form of survey or program to capture employee feedback.

Eyes on the prize - a workforce for the future

Organisations have come to expect conditions of constant change and disruption. This is leading to organisational redesign as an almost universal and continuous process for any enterprise, regardless of size or industry. 96% of C-suite respondents in the 2018 Global Talent Trends Study from Mercer are planning a redesign, up from 93% in 2017¹³. Assigning resources to review, repurpose and transform culture and business models is the new norm. Putting employee experience (EX) at the centre of these transformations is essential if organisations are to fuel success with the right skills and ideas.

“ **As long as organisations focus on the well-being, growth and diverse needs of their people, they'll ignite the engine that runs their business and their technology – no matter how quickly the future of work evolves.**

Mercer 2018 Global Talent Trends Study - Unlocking Growth in the Human Age

Feeding continuous improvement to meet existing and future workforce needs, takes an ongoing commitment to measurement. The metrics and frequency for each organisation will vary, but in principle measuring employee feedback is a worthwhile investment in the development of effective, engaging and responsive EX.

EX measurement

Most often it is HR departments that dominate as the team most responsible for measuring and reporting on EX.

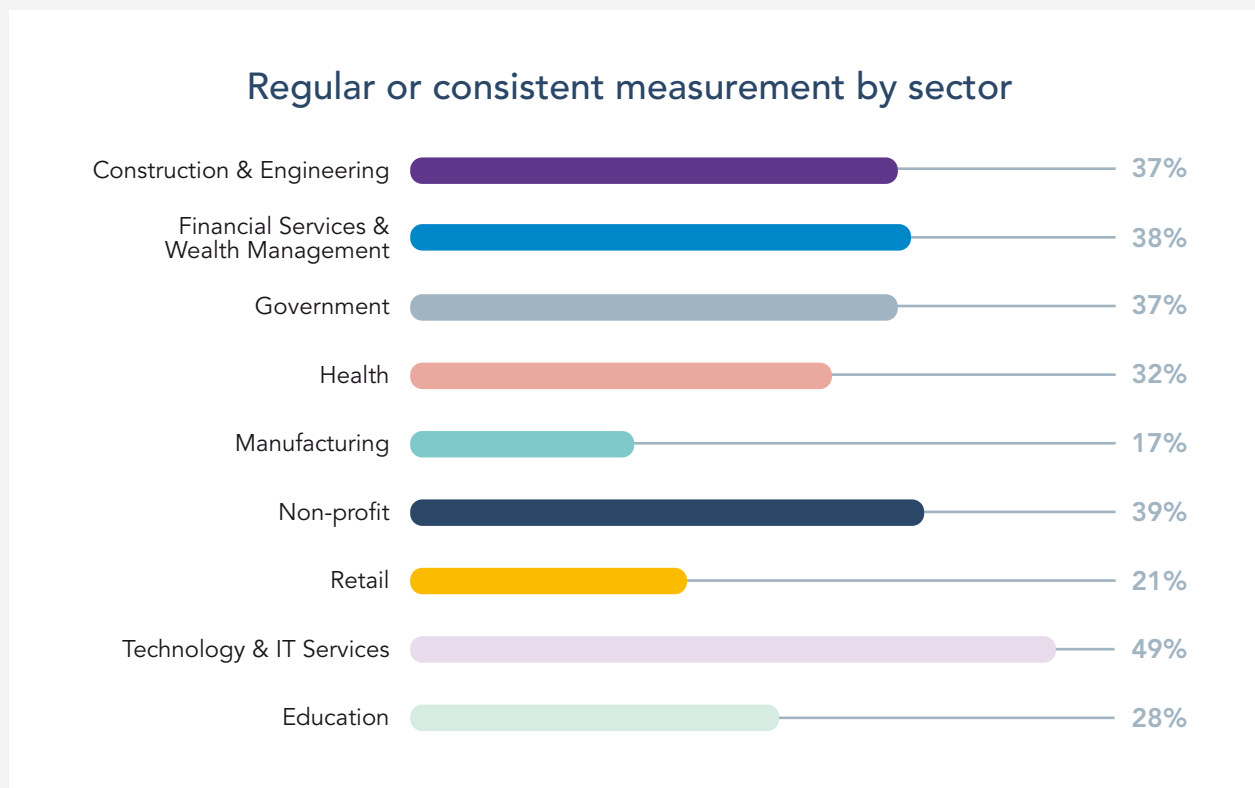
Others performing this role can be expected to hold a wide range of positions – from CEOs to managers and leaders of newer style teams such as People & Culture.

When it comes to frequency, a regular commitment is scarce. 1 in every 3 organisations rarely or never measure EX and less than a third of organisations are measuring regularly. The number measuring consistently (8%) make up the minority of responses. It seems that a high awareness of EX is therefore not being paralleled either by actual dialogue or regular measurement.



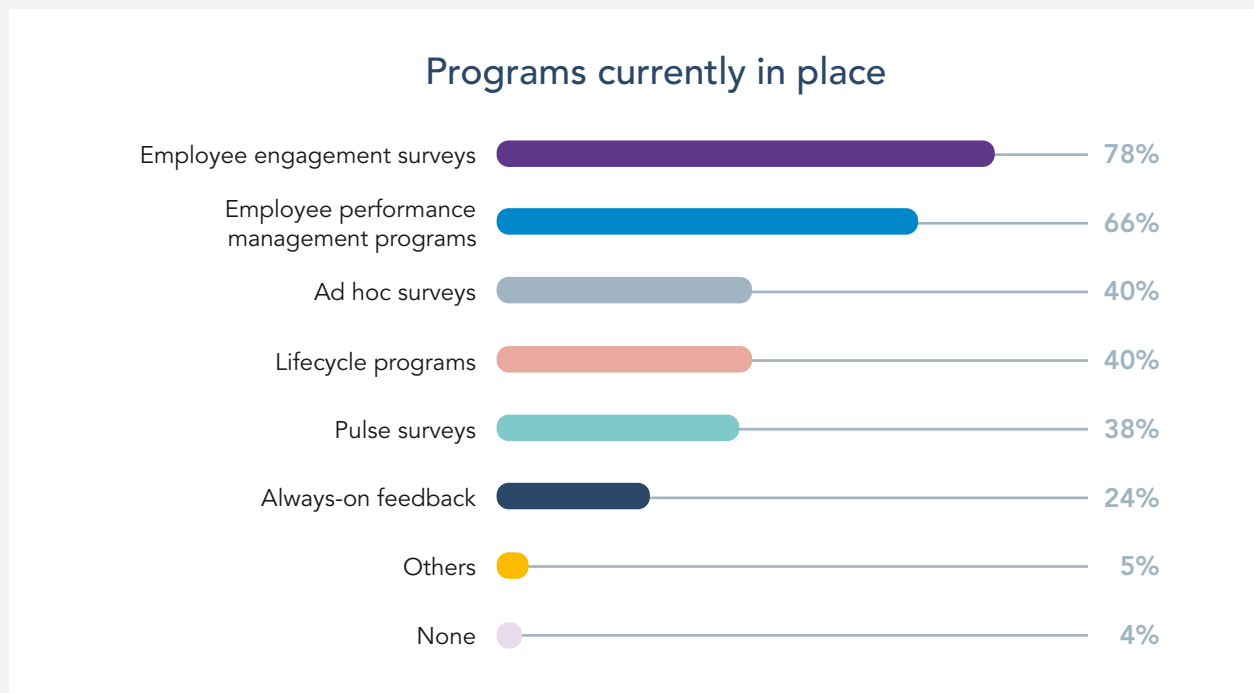
Where measurement is taking place, it is the technology & IT services sector (49%) leading the way.

By sharp contrast, only one in five retail organisations and one in three education organisations regularly or consistently measure EX. Interestingly, our research showed that smaller organisations are most likely to measure EX.



Current measurement tools and tactics

Whilst regular EX measurement might be somewhat sparse, over 95% of organisations do undertake some form of survey and/or program to seek employee feedback. What organisations measure is predominantly employee engagement (78%) and performance (66%). Less than half of organisations run ad hoc surveys (40%) or lifecycle programs (40%) and pulse surveys (38%) to gather data and just under a quarter have always-on feedback in place (24%).



However, over 60% of organisations highlighted the need for a significant level of improvement in their approach to monitoring. Our survey also gathered anecdotal data on the shortcomings of current approaches to measurement and monitoring, with four key areas for improvement apparent:

- **Shifting the focus** – from customer outcomes and employee performance to EX.
- **Strategic approach** – objective, regular, consistent and tailored to suit each organisation.
- **Better tools and analytics** – explore up-to-date monitoring systems and maximise use of data.
- **Leadership buy-in** – clear support from C-suite demonstrated through action on findings.

REAL WORLD EXAMPLE:

hipages responds to surveys to boost engagement and accountability

To demonstrate accountability for EX, hipages have a clear and inclusive process for following through on survey results.

“Our hi-TAG (Team Action Group) are tasked with coordinating the response to every company-wide survey,” says Jodette Cleary, Chief People Officer with hipages. “Made up of a volunteer from every team, the group meet for two half-day facilitated workshops. After going through survey feedback to look for trends, they explore issues and opportunities and then make specific recommendations, each with an associated high-level action plan.”

The next hi-TAG task is to present recommendations to senior leadership. “The senior leadership team will determine if some or all of the ideas put forward will be championed and implemented,” says Jodette. “hi-TAG are assigned project ownership of the initiatives and meet on a regular basis until each has been implemented. This approach ensures our team are not only listened to, but actually involved in prioritising and implementing solutions. As a result, we’re seeing clear improvements arising from each survey.”



Tools of the trade

Measurement tools in the form of surveys are nothing new. As noted by Deloitte, there are many new products coming to market to support HR teams and other leaders in gathering data to better understand what employees expect and value. As we see in our four areas of improvement, tools and analytics are one potential area for raising the game on EX monitoring, but they're not a standalone solution.

“ Creating a holistic approach to the employee experience demands better tools and programs to capture employee feedback continuously. A new breed of pulse survey tools, performance management tools, and open survey tools is making this possible.¹⁴

2017 Deloitte Global Human Capital Trends: Rewriting the rules for the digital age

5 tips for fighting survey fatigue

- 1 Simplify and segment** - survey tools that enable a greater level of customisation will help limit the number of surveys. Each survey can be fine-tuned to best meet the needs of the organisation as a whole, and different target audience within the organisation.
 - 2 Match survey length to frequency** - answering too many questions on a regular basis can result in survey fatigue. If surveys are sent out frequently, keep them short and save longer surveys for annual or bi-annual distribution.
 - 3 Limit open-ended responses** - requesting more open-ended written responses takes up far more time than choosing from options. Carefully select which questions require a personalised, written answer.
 - 4 Be open about results** - honest communication of survey outcomes will build trust and demonstrate that surveys are motivated by genuine interest in EX and a commitment to identify areas where improvements can be made.
 - 5 Show that leaders are listening** - not every survey demands a big announcement, but it's important to demonstrate that survey results are of interest to leaders and that they're prepared to be held accountable for acting on survey findings.
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The simple appeal of a single EX metric

In their 2017 Global Human Capital Trends report Deloitte also highlighted an emerging 'gold standard' in EX metrics, if only for the simplicity it offers. Rather than collating, analysing and presenting data from multiple performance programs and engagement and pulse surveys, an employee net promoter score (ENPS) offers a single number to measure and track¹⁵. As well as linking EX very clearly to a single dataset, this simpler approach can reduce the risk of survey fatigue.

REAL WORLD EXAMPLE:

How Australian Unity used metrics to drive EX as an organisation-wide priority

Driven by the need to recruit more care and allied health workers to keep their care services competitive, Australian Unity have taken steps to bring together their metrics for EX and customer experience (CX). With a distributed workforce who often have limited opportunities to connect with leadership, they came to recognise how both these factors are linked to recruitment success.

“These employees might not see their people leader for weeks on end,” says Jane Betts, Group Executive for HR at Australian Unity. “The person they share their employee experience with is often our customer. We had global high performance with our engagement score, but we weren’t getting enough rich information on how we were impacting our people day-to-day, and how in turn that would impact the customer. If employees aren’t saying good things about us to their customers, or their friends and family, then we’re going to be really challenged around recruitment. So we started measuring customer and employee net promoter (ENP) scores with the same tool.”

Insights from the combined scores have enabled Jane and her team to better understand what their employees value. “With this new metric for EX, we found that employees who felt we were putting the customer front and centre were six times more likely to be a net promoter,” says Jane. “And the same statistic applied when they felt they were listened to and genuinely heard, so we’ve increased our focus on listening.”

In spite of some initial resistance, this new approach has also led to widespread support and co-ordinated action on EX improvement. “Some of my managers were feeling pained about having negative ENP scores, when they’ve previously had up in the 90s for engagement,” says Jane. “But this a-ha moment has been crucial in getting everyone’s attention and has given us the data we need to better identify and describe the problem and bring together the right people to solve it.”

Always-on measurement reframed

While new technology and simple metrics can be a way to further develop critical data on EX, there is also value in consistently capturing feedback through face-to-face encounters. Every candidate, exit interview and performance conversation is an opportunity to listen and learn what employees are facing and how organisations can support employee learning, harness their talent and unlock their value.

This qualitative, always-on measurement may sometimes be supported by technology for collating or escalating responses, but it cannot happen without a human presence to pursue the EX agenda during conversations and be alert to the responses.

REAL WORLD EXAMPLE:

Uber takes up an 'always-on' performance management strategy

Joel Corrigan, Senior Recruiting Lead for Uber Australia & New Zealand describes a performance management approach that's both empowering and continuously searching for opportunities to support positive EX.

“Our employees get a lot of autonomy around picking what we work on, what our KPIs are and what our goals are,” says Joel. “We have very regular conversations, and it’s an ongoing discussion throughout the year which means that your manager, your manager’s manager and leadership are constantly hearing what people are seeing, thinking and feeling. We don’t find ourselves in a position where once a quarter we need to stop, reset and design a solution. It’s more ongoing tweaks and listening.”

REAL WORLD EXAMPLE:

Talent International learns the secrets of recruitment success

On her regular roadshow of Talent International offices, Head of People and Culture April Marcot makes plenty of time for one-on-one meetings with employees.

“I spend a whole day having one-on-ones with people,” says April. “I’ll generally speak with eight different people in one visit and meet another eight next time I go, and so on.”

If it’s a first-time meeting, April asks why they chose to join the Talent International team and she’s made an important discovery in doing so.

“Overwhelmingly, I’m told it’s because of our TalentRISE initiative and that it’s something different to any other recruitment company out there,” says April. “With TalentRISE we help disadvantaged kids find jobs in tech. We do what we can to connect young people who’ve had their struggles with large corporations willing to give them a chance. Apparently, it really makes a difference to our employees and candidates that we do stuff like that.”

Raising the bar: responding to EX cues

Knowing how to measure is one challenge, knowing what to ask is quite another. The response from employees on what will tip the scales towards better EX won't be meaningful if questions or topics are missing the target. Paying attention to what your employees are actually up to day-to-day can give you a steer on where their frustrations and pain points lie, as well as the potential opportunities to enrich their experience with learning and advancement.

To be even more on the front foot and anticipate the needs of employees, there is a wealth of data on global EX trends in the workplace. In their 2018 Global Talent Trends Study, Mercer highlight the following workforce expectations and needs¹⁶:

How do you expect your workplace will change in the next two years?	What kind of support would you like your company to give more of?
Greater - wellness, flexibility, teamwork, automation	Flexibility, fairness, wellness

Wellness and flexibility are the dominant themes, and are reinforced by key findings from the Willis Towers Watson 2017 Global Benefits Attitudes Survey:

- Employees look to their employers for support in improving their health and well-being and becoming more financially secure.
- Employees – particularly younger employees – want more benefit choices. Those with choice and flexibility today are twice as likely to feel their benefit program meets their needs¹⁷.

For organisations wondering where to focus their efforts first, these insights could provide a good starting point. By addressing high concern issues such as flexibility or well-being, organisations can secure an early win in closing the gap between what employees value from their experience, and what is currently being delivered.

“ 51% of all employees want their company to offer more flexible work options. Most companies have pockets of flexibility based on individual arrangements with a manager, but only 3% consider themselves industry leaders when it comes to flexible working.¹⁸

Mercer 2018 Global Talent Trends Study - Unlocking Growth in the Human Age

REAL WORLD EXAMPLE:

LinkedIn differentiates with a purpose-led benefits program

LinkedIn pride themselves on offering compensation and benefits that would be ranked well above average within the competitive and talent-hungry tech sector. But rather than just offering what the company next door offers, LinkedIn wanted their benefits program to serve a purpose and make a difference in employees' lives. Introducing their highly personalised PerkUp! benefit, LinkedIn are aiming to stay one step ahead of the industry and create a buzz among candidates and employees.

PerkUp gives LinkedIn employees their own annual allowance to spend on eligible perks designed to improve wellbeing or create convenience to make their lives easier. They pay for their chosen perk – it could be childcare or fitness classes, massage or a personal trainer – and then apply for reimbursement up to the limit of their allowance. Employees can use their entire allowance in one hit or use it for many different eligible perks depending on what best suits their needs and preferences.

REAL WORLD EXAMPLE:

MYOB gets back to basics with less “stuff” and more meaning

In developing a ‘stickier’ quality to their EX, MYOB have been looking beyond the sort of perks that have become standard practice among tech companies.

“A lot of organisations, particularly in the tech sector, are doing a lot of “stuff” whether that’s free beer on Fridays or bring your dog to work capability” says Helen Lea. “With tech skills in high demand it’s relatively easy for employees to move to another tech business offering new and different “stuff”. So what we’re trying to do is move away from “stuff”, and think about the experience. It’s the stickiness of an experience, not the free coffee, that will bind you to the organisation.”

For MYOB, a positive working relationship with managers was found to be the secret to stickiness. “From our analysis it was clear that your experience with the organisation was really driven by the “it depends on who your leader is” response, says Helen. “Whether that’s how you access flexibility or about the day-to-day experience you might have, or the amount of performance feedback you receive, managers need to be making those relationships meaningful.”

The future of Employee Experience

Key finding:

- 1 76% of organisations believe that employee experience will become increasingly important, with this sentiment felt most in the technology & IT services sector.

Growing importance of EX

Whilst it's apparent that organisations are at very different stages of the employee experience (EX) journey, across all organisations, the concept of employee experience is felt to be gathering momentum. More than three-quarters of organisations feel that EX will grow in importance as a proven approach to attracting and retaining employees.

**More than 75% of organisations believe that
EX will grow in importance**

Underpinning this belief is an increasing need to attract and retain high calibre candidates and meet a generational workforce shift in employee expectations, where employees are looking for more rewarding work that aligns with their values. From a business perspective, there is growing acknowledgement that EX is a necessity for organisations looking to enhance business performance and productivity and embed a employee-focus into their organisational strategy.

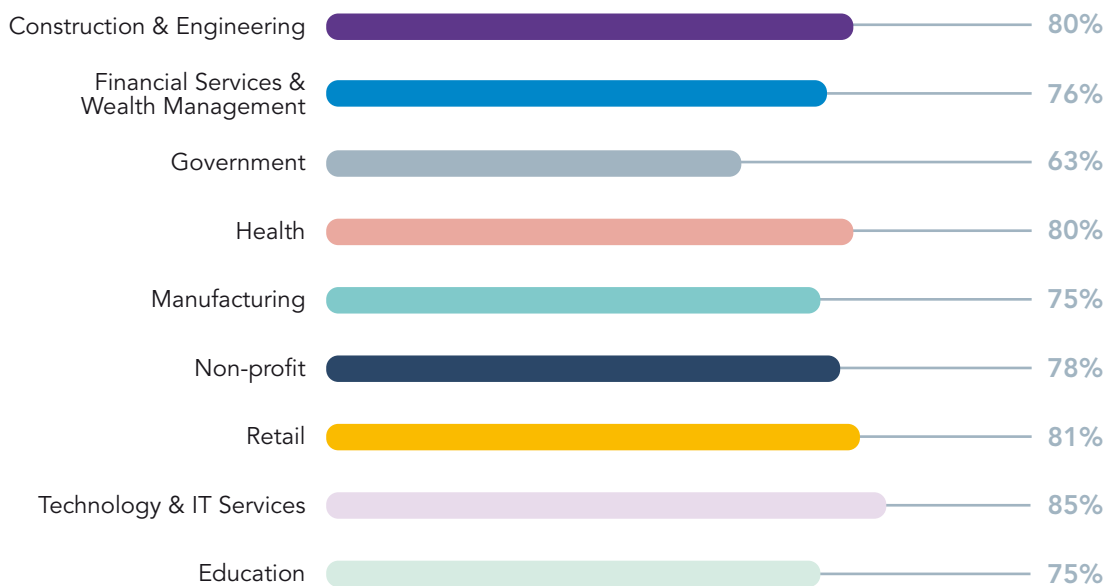
“ EX will support our aspirations for delivering a better customer experience. Adopting an intentional and purposeful focus on EX will be a key differentiator when attracting and retaining talent. This is will be an ongoing process of focus and commitment, rather than token events.

Aldo Boccalatte, Senior Manager, Learning, QSuper

The trend of increasing importance is sector-wide, however this sentiment is felt most acutely in the technology & IT services (85%), retail (81%) and construction & engineering (80%) sectors.

The slowest adoption is likely to come from government organisations, however the majority (63%) within this sector do believe that EX will become more important in the future.

Growing importance of EX by sector



A slow and steady approach will unfold

Although it's early days, teams that have begun implementing EX initiatives are starting to report positive outcomes, such as the reduction in employee turnover, higher levels of employee satisfaction, as well as an increase in employee engagement and productivity.

Whilst we can't entirely predict the future of EX, one thing is certain. Organisations are going to have to embrace EX if they want to win the war for talent.

Today, it is the employee and not the organisation who holds the power, and this shift in dynamic means that organisations will need to work harder than ever before to retain their most talented employees.

Of course, like any great endeavour, the path is not always linear and some organisations are likely to struggle with an 'all or nothing' approach. According to Mercer's 2018 Global Talent Trends Study, only 18% of C-Suite leaders describe their organisations as 'change agile'¹⁹. What we expect to see unfold is a slow and steady adoption of EX, with most organisations testing the waters with some smaller and more practical bite-sized initiatives.

We also expect to see a continuing 'fragmentation' of organisations at different stages of the EX journey, and variations in how organisations are approaching EX. So far, we have seen some organisations looking at specific interactions (such as access to HR policies, the HR team or IT support desk), and some looking more holistically at the EX journey and mapping the key 'moments' that matter between their employees and the organisation.

What we don't expect to see, is a uniform approach to EX. There will be no one-size-fits-all, or wrong way to approach it. What we have learnt from the organisations that are already on the journey, is that often the simplest ideas can have the biggest impact.

Getting started with Employee Experience

As we identified through our research, one of the common challenges faced by HR professionals is knowing where to start. The stories within this report illustrate that employee experience (EX) doesn't need to be a large-scale project. You can get started on the journey with some clever, and achievable initiatives. The following examples will hopefully provide you with some ideas.

Financial wellbeing benefits

Most companies already focus on employee wellbeing, with initiatives such as flexi hours, gyms, yoga sessions and meditation rooms. Now that around 50% of employees in Australia are living each month paycheck to paycheck²⁰, employee financial wellbeing is on the radar for many organisations. Initiatives such as financial education programs on budgeting, debt management and saving could be a great starting point. Alternatively, helping employees pay for everyday expenses using their pre-tax salary (salary sacrifice) could help them cover the cost of things that may improve their lives, such as leasing a vehicle, insurance, electronic devices or in some instances, a percentage of super. By offering salary sacrifice, your employees could reduce their tax bill and enjoy a higher disposable income at the same time.

Positive manager relationships

Our research showed that the relationship between a manager and their direct report is fundamental for creating a highly engaged workforce. Following their 10-year study of characteristics that set apart successful executives, Navalent found that forming deep and trusting relationships with employees is the most important of the four key behaviours driving exceptional performance in the executive role²¹. One of the most powerful ways you can support this is by assessing the competencies of your managers. Once you know how they measure up, you could consider tailored training and development opportunities to help them improve their management skills in ways that meet the demands of today's workforce.

No-gaps onboarding

There is nothing more frustrating for a new employee than to arrive on their first day to find their IT isn't set up, and there is nothing for them to do.

New employees are excited and ready to go, but so many organisations fail to support them properly during the onboarding period. It's no wonder that according to a survey by Bamboo HR, 31 per cent of employees have quit a job within the first six months²².

By implementing a structured onboarding process, you are in a great position to positively influence the first 90 days of their employee experience. Making onboarding a natural transition from the recruitment process can help maintain high engagement with a new employee, with regular communication before their first day on the job.

A carefully planned induction program, with all key stakeholders involved can help your employees establish social connections with team members, start to understand their roles and responsibilities, and your organisation's culture. Extending onboarding beyond the first few weeks can also guard against rapid employee turnover, by giving employees, managers and HR opportunities to check-in and address any ongoing issues with performance, engagement or knowledge gaps.

About the research

The 2018 Employee Experience Research Report represents the first of its kind in Australia. In defining the scope and objectives of this study, we wanted to achieve a robust piece of research that represented the behaviours, attitudes and perspectives towards EX across a diverse range of Australian organisations.

Commissioned by Maxxia and conducted by Ignite Global, the research for this report involved two stages. The first stage was qualitative research via a series of in-depth interviews with HR and EX experts across Australia. We wanted to tap into the minds of those successfully tackling EX in their business, to share with you some of their stories.

The insights from this first stage informed the development of the quantitative research that was launched via online survey in April 2018. A total of 601 online survey responses were received from senior HR professionals within small, medium and larger sized organisations. The survey was conducted online, during the period April to June 2018 and input was gained from organisations in over 20 different sectors, and across all 8 Australian states and territories.

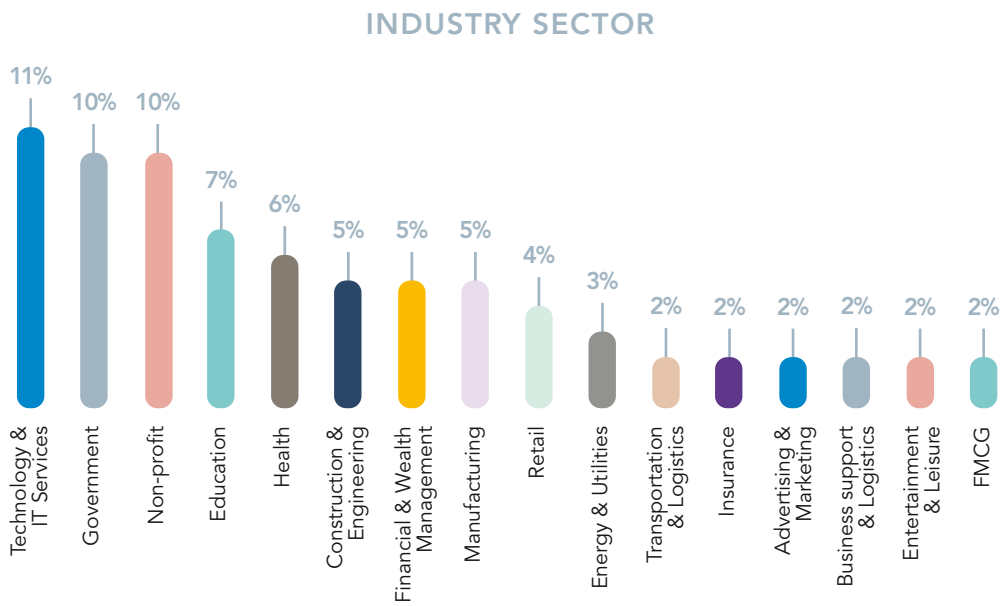
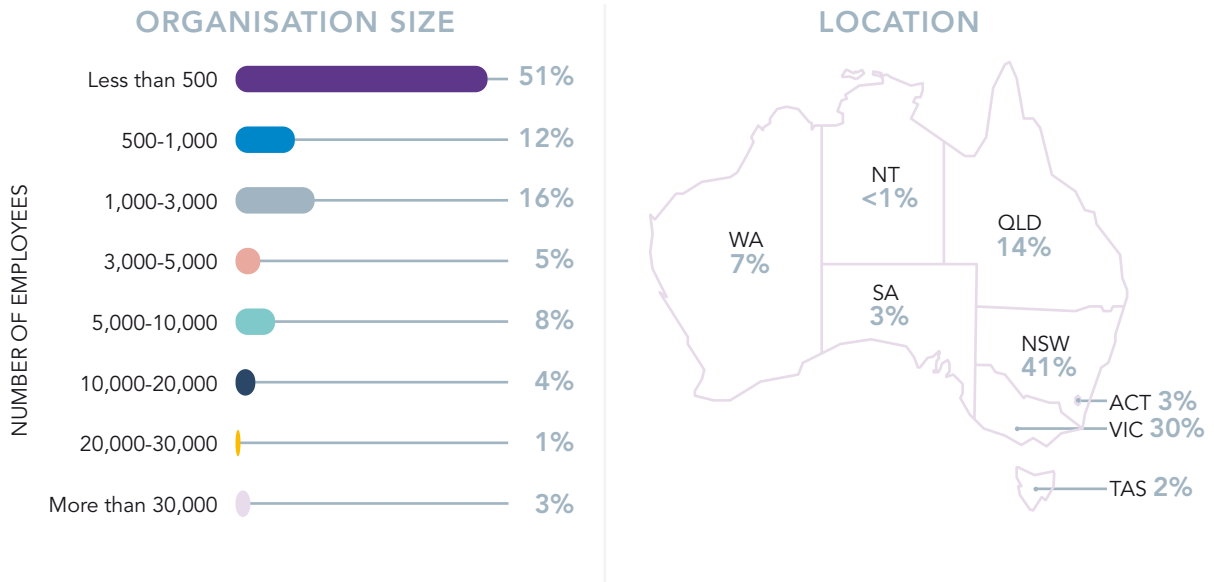
For the purposes of this research:

- Smaller organisations are classed as those with up to 1,000 employees
- Medium-sized organisations are classed as those with between 1,000-5,000 employees
- Larger organisations are classed as those with more than 5,000 employees.

For simplicity, percentages have been rounded to the nearest whole number and may therefore not total exactly 100%. Percentages have also been calculated to exclude missing responses.

We would like to extend our gratitude and appreciation to those respondents who gave their time to participate in both the in-depth interviews and online survey.

Survey respondents



Note: 22% of survey respondents belong to other sectors.



About Maxxia

Maxxia is a specialist provider of employee benefits for Australian organisations. We help Australian organisations attract and retain the best talent, through competitive and measurable employee benefit programs.

Employee benefits are an easy way to strengthen your employee value proposition and improve employee experience within your organisation. Key to our approach is our free benefits assessment, which identifies inefficiencies in your program and assigns it a financial value. Armed with this information, we design a tailored program to help you optimise the value you deliver, and the outcomes for your employees and your business.

We work with organisations of all shapes and sizes, from large corporates and SMEs, to health, not-for-profit and government. When you partner with Maxxia, our team of specialists are with you every step of the way, to help maximise engagement with your employees, and provide guidance on complex issues such as tax, compliance and payments. Our fully resourced programs also save your organisation time and money, and free your team up to focus on what they do best.

www.maxxia.com.au



About Ignite Global

Ignite Global is a recognised leader in helping organisations hire, motivate and retain top talent. Our consulting and training services have spanned 32 industries and 8 different countries.

Tapping into over 5,000 exit interviews and extensive international research, we have developed a deep understanding as to why employees leave their workplace, and the strategies organisations can employ to ensure they don't. Using a combination of pre-designed and bespoke products and services, our 5-step process is designed to help us co-create solutions with your organisation, to deliver measurable results and tangible impact to the bottom line.

Over the years, we've helped organisations in the areas of management capability, employee engagement and productivity, employee retention, candidate sourcing and performance improvement.

www.igniteglobal.com

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